STRICTLY CONFIDENTIAL

MediaTek Inc.

(incorporated as a company limited by shares in Taiwan, the Republic of China)

US$3,900,000,000 Currency-Linked Zero Coupon Convertible Bonds due 2031

MediaTek Inc. (the "Company" or the "Issuer" and, together with its subsidiaries, the "Group," or, to the extent applicable, "we," "us" or "our") is offering US$3,900,000,000 aggregate principal amount of currency-linked US dollar denominated zero coupon convertible bonds due 2031 (the "Bonds"), through Morgan Stanley Asia Limited (the "Initial Purchaser").

The Bonds will be direct, unconditional, unsecured and unsubordinated obligations of the Company, and will rank *pari passu* without any preference or priority among themselves and with all of the Company's other present and future direct, unconditional, unsecured and unsubordinated obligations, except as otherwise provided herein. Unless the Bonds have been previously redeemed, repurchased and canceled or converted, the Company will redeem the Bonds at the Settlement Equivalent (as defined herein) of 100.00% of the outstanding principal amount thereof at maturity. The Bonds will not bear any interest.

The Bonds will be convertible into common shares of the Company, par value NT$10.00 per share (the "Common Shares" or "Shares"), during the period from and including December 9, 2026 to and including August 29, 2031 (subject to certain restrictions) at a conversion price which will initially be NT$4,513.75 per Share (subject to adjustment as set forth in "Description of the Bonds — Conversion — Adjustments to the Conversion Price") determined on the basis of a fixed exchange rate of NT$31.6430 = US$1.00 applicable on conversion of the Bonds. The Common Shares are currently listed under the trading code "2454" on the Taiwan Stock Exchange (the "TWSE") in the Republic of China (the "ROC"). The closing sale price per Common Share on the TWSE on August 31, 2026 was NT$3,925.00 (equivalent to US$124.04 at the exchange rate of NT$31.6430 to US$1.00 based on the Taipei Forex Inc. Taiwan Dollar 11:00 fixing rate on August 31, 2026). See "Risk Factors — Risks Relating to Ownership of the Bonds and the Common Shares."

The Company may, at its option and by giving the requisite notice, redeem the Bonds then outstanding, in whole but not in part, at the Settlement Equivalent of the applicable Early Redemption Amount if (i) more than 90% in principal amount of the Bonds originally issued has been redeemed, repurchased and canceled or converted or (ii) the Company becomes obligated to pay Additional Amounts (as defined herein) as a result of certain changes in the tax laws in the ROC or such other jurisdiction in which the Company is then organized or resident for tax purposes occurring on or after the Closing Date, which is expected to be on September 8, 2026.

If the Common Shares cease to be listed or admitted to trading on the TWSE, trading of the Common Shares on the TWSE is suspended for 30 or more consecutive Trading Days (as defined herein), or a Change of Control (as defined herein) occurs, you may require the Company to repurchase all, but not in part, of your Bonds at the Settlement Equivalent of the applicable Early Redemption Amount.

NVIDIA Corporation ("NVIDIA") agreed to subscribe for, and the Initial Purchaser allocated to NVIDIA, US$3,500,000,000 in aggregate principal amount of the Bonds offered in this offering (the "Offering"), at the same offering price and on the same terms applicable to all other Bonds in this Offering. NVIDIA is neither making nor should be construed to make, any representation regarding the legality or viability of an investment in the Bonds. Investors should not place any reliance on NVIDIA's participation in this Offering as an anchor investor or NVIDIA's investment analysis about us and this Offering, and each investor should make its own independent investment decision.

Approval in-principle has been received for the listing of the Bonds on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this offering circular. Approval in-principle for the listing of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Offering, the Company, the Group, its subsidiaries, or any of their associated companies or the Bonds. Prior to this Offering, there has been no market anywhere for the Bonds, or any market outside Taiwan for the Common Shares.

Investing in and holding the Bonds involve a high degree of risk. See "Risk Factors" beginning on page 10 for a discussion of certain factors to be considered in connection with an investment in, and the holding of, the Bonds.

The Bonds and the Common Shares to be issued upon conversion of the Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") or any state securities laws. The Bonds are being offered and sold within the United States to persons reasonably believed to be qualified institutional buyers ("QIBs") in reliance on Rule 144A under the Securities Act ("Rule 144A") and outside the United States in reliance on Regulation S under the Securities Act ("Regulation S"). The Bonds are sold subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable securities laws of any state or other jurisdiction pursuant to registration thereunder or exemption from registration. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. The Bonds are not being offered or sold directly or indirectly in the ROC or to, or for the account of, any ROC person. See "Transfer Restrictions" and "Plan of Distribution."

The Rule 144A Bonds (as defined herein) and the International Bonds (as defined herein) will be represented by separate global bonds in fully registered form registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for The Bank of New York Mellon, London Branch, as common depositary for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A. ("Clearstream"). Except as described herein, beneficial interests in the global bonds will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their participants. The Initial Purchaser expects to deliver the Bonds to purchasers' accounts on or about September 8, 2026.

Bonds Issue Price: 100%

Sole Global Coordinator and Sole Bookrunner

Morgan Stanley

Offering circular dated August 31, 2026

You should rely only on the information contained in this offering circular. Neither the Company nor the Initial Purchaser has authorized anyone to provide you with different information. Neither the Company nor the Initial Purchaser is making an offer of these securities in any state or jurisdiction where the offer is not permitted. This offering circular does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities to which it relates or an offer to sell or the solicitation of an offer to buy such securities by any person in any circumstances in which such offer or solicitation is unlawful. You should not assume that the information contained in this offering circular is accurate as of any date other than the date of this offering circular. The Company's business, financial condition, results of operations and prospects may have changed since that date.

Except as described below, the Company accepts responsibility for the information contained in this offering circular. The Company, having made all reasonable inquiries, confirms that this offering circular contains all information with respect to the Company, its consolidated subsidiaries, the Bonds and the Common Shares to be delivered upon conversion of the Bonds that is material in the context of the issue and offering of the Bonds, that the information contained in this offering circular is true and accurate in all material respects and is not misleading, that the opinions and intentions expressed in this offering circular are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions, that there are no other facts, the omission of which would, in the context of the issue and offering of the Bonds, make this offering circular as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect and that all reasonable inquiries have been made by the Company to verify the accuracy of such information and that this offering circular does not contain an untrue statement of a material fact or omit to state a material fact required to be stated or necessary in order to make the statements, in the light of the circumstances under which they are made, not misleading. The information contained in the sections entitled "Appendix A — The Securities Market of the ROC" and "Appendix B — Foreign Investment and Exchange Controls in the ROC" has been extracted from publicly available resources. However, such information has not been verified by the Company, the Initial Purchaser or any of the Company's or the Initial Purchaser's respective affiliates or advisors in connection with this Offering.

The distribution of this offering circular and the offering and sale of the Bonds in certain jurisdictions may be restricted by law. Persons into whose possession this offering circular comes are required by the Company and the Initial Purchaser to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on the offering and sale of the Bonds, and distribution of this offering circular, see "Plan of Distribution" and "Transfer Restrictions." This offering circular does not constitute an offer of, or an invitation by or on behalf of the Company or the Initial Purchaser to subscribe for or purchase any of the Bonds in any jurisdiction in which such offer or invitation would be unlawful. This offering circular may be used only for the purposes for which it has been published.

In making an investment decision regarding the Bonds, you must rely on your own examination of the Company and the terms of the Bonds and this Offering, including the merits and risks involved. The contents of this offering circular are not to be considered as legal, business, financial or tax advice. You should consult your own counsel, accountants and other advisors as to legal, tax, business, financial and related aspects with respect to the purchase of the Bonds. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Initial Purchaser, the Trustee or the Agents or any of their respective affiliates, as to the accuracy or completeness of the information contained in this offering circular or any other information supplied in connection with the Company, the issue and offering of the Bonds or the Shares. To the fullest extent permitted by law, none of the Initial Purchaser, the Trustee or the Agents accept any responsibility for the contents of this offering circular or for any other statement, made or purported to be made by the Initial Purchaser, the Trustee or the Agents or on their behalf in connection with the Company, the issue and offering of the Bonds or the Shares. Accordingly, each of the Initial Purchaser, the Trustee and the Agents disclaims any and all liabilities, whether arising in tort, contract or otherwise (save as referred to above), that it might otherwise have in respect of this offering circular or any such statement.

Important Notice to Prospective Investors

Prospective investors should be aware that certain intermediaries in the context of this Offering, including the Initial Purchaser, are "capital market intermediaries" ("CMIs") subject to Paragraph 21 of the Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission (the "Code"). This notice to

prospective investors is a summary of certain obligations the Code imposes on such CMIs, which require the attention and cooperation of prospective investors. Certain CMIs may also be acting as "overall coordinators" ("OCs") for this Offering and are subject to additional requirements under the Code.

Prospective investors who are directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an association ("Association") with the Issuer, the CMI or the relevant group company. Prospective investors associated with the Issuer or any CMI (including its group companies) should specifically disclose this when placing an order for the Bonds and should disclose, at the same time, if such orders may negatively impact the price discovery process in relation to this Offering. Prospective investors who do not disclose their Associations are hereby deemed not to be so associated. Where prospective investors disclose their Associations but do not disclose that such order may negatively impact the price discovery process in relation to this Offering, such order is hereby deemed not to negatively impact the price discovery process in relation to this Offering.

Prospective investors should ensure, and by placing an order prospective investors are deemed to confirm, that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). If a prospective investor is an asset management arm affiliated with the Initial Purchaser, such prospective investor should indicate when placing an order whether the order is for a fund or portfolio in which the Initial Purchaser or its group company has an interest of more than 50%. Any such order will be classified as a "proprietary order" and subject to appropriate handling by CMIs in accordance with the Code. The prospective investor should disclose, at the same time, whether such "proprietary order" may negatively impact the price discovery process in relation to this Offering. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order." If a prospective investor is otherwise affiliated with the Initial Purchaser, such that its order may be considered to be a "proprietary order" (pursuant to the Code), such prospective investor should indicate to the Initial Purchaser when placing such order. Prospective investors who do not indicate this information when placing an order are hereby deemed to confirm that their order is not such a "proprietary order." Where prospective investors disclose such information but do not disclose that such "proprietary order" may negatively impact the price discovery process in relation to this Offering, such "proprietary order" is hereby deemed not to negatively impact the price discovery process in relation to this Offering.

Prospective investors should be aware that certain information may be disclosed by CMIs (including private banks that act as CMIs in connection with this Offering ("Private Banks")) which is personal and/or confidential in nature to the prospective investor. By placing an order, prospective investors are deemed to have understood and consented to the collection, disclosure, use and transfer of such information by the Initial Purchaser and/or any other third parties as may be required by the Code, including to the Issuer, any OCs, relevant regulators and/or any other third parties as may be required by the Code, it being understood and agreed that such information shall only be used for the purpose of complying with the Code, during the bookbuilding process for this Offering. Failure to provide such information may result in that order being rejected.

PRIIPS REGULATION / PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Bonds are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared, and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO UK RETAIL INVESTORS – The Bonds are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (as amended, the "EUWA") ("UK

MiFIR"). Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("DISC") for offering, selling or distributing the Bonds or otherwise making them available to retail investors in the UK has been prepared, and therefore offering, selling or distributing the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

In addition, prospective investors should be aware that this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at: (i) in the UK, persons having professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "Order"), and/or high net-worth companies and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order; and (ii) persons who are outside the UK (all such persons together being referred to as "relevant persons"). This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to, and will be engaged in only with, relevant persons.

AVAILABLE INFORMATION

If, at any time, we are neither subject to the reporting requirements of Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from such reporting requirements pursuant to Rule 12g3-2(b) under the Exchange Act, we will furnish, upon request, to any person in whose name a Bond is registered on the register maintained by the registrar, any holder of any beneficial interest in any Bond or any prospective purchaser designated by any such holder or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act to permit compliance with Rule 144A in connection with the resale of the Bonds or the Common Shares issuable upon conversion of the Bonds, in each case for so long as any of the Bonds or such Common Shares are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this offering circular. The words "anticipate," "believe," "estimate," "expect," "intend," "plan," "project," "seek" and similar words identify forward-looking statements. In addition, all statements other than statements of historical fact included in this offering circular are forward-looking statements. Our forward-looking statements contain information regarding:

- our future revenue and profitability;
- our business strategies;
- expected growth in consumer demand;
- the expected industry trends;
- our capital expenditure plans; and

other matters discussed in this offering circular that are not historical facts. These statements are only forecasts based on information currently available to us. We have based these forward-looking statements on our current expectations and projections about future events. Although we believe that these expectations and projections are reasonable, these forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These risks, uncertainties and other factors include, among others:

- the intensely competitive industries in which we operate;
- industry risks;
- general economic, political and social conditions and developments in the ROC and other jurisdictions in which we operate our business;
- market acceptance of our products;
- risks associated with our entry into new markets or businesses;
- changes in market prices for our products;
- our rate of growth and ability to meet the demands in relation to our growth;
- changes in the availability and prices of materials, manufacturing capacity, equipment and services used by our suppliers to manufacture our products;
- our ability to meet financial and other covenants provided under our loan agreements;
- our continued ability to secure funding to meet our liquidity needs and investment objectives;
- legal proceedings, if any; and
- other risks identified in the "Risk Factors" section of this offering circular.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we can give no assurance that such expectations will be proven correct. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future events or otherwise. In light of the foregoing and the risks, uncertainties and assumptions in "Risk Factors" and elsewhere in this offering circular, the forward-looking events in this offering circular are not guarantees of future performance and might not occur and our actual results could differ materially from those anticipated in those forward-looking statements.

ENFORCEABILITY OF FOREIGN JUDGMENTS IN THE ROC

We are a company limited by shares and incorporated under the ROC Company Act. Most of our directors and executive officers named in this offering circular are residents of the ROC and a significant portion of our assets are located in the ROC. As a result, it may be difficult for investors to enforce judgments obtained outside the ROC against us or such persons in the ROC, including those predicated upon the civil liability provisions of the federal securities laws of the United States. Any final and non-appealable judgment obtained against us or such persons in any court other than the courts of the ROC in respect of any legal suit or proceeding arising out of or relating to our Bonds or Common Shares to be issued upon conversion of the Bonds will be enforced by the courts of the ROC without further review of the merits only if the court of the ROC in which enforcement is sought is satisfied that:

- the court rendering the judgment has jurisdiction over the subject matter according to the laws of the ROC;

- neither the judgment nor the court proceedings resulting in the judgment are contrary to the public order or good morals of the ROC;

- if the judgment was rendered by default by the court rendering the judgment, (i) process was duly served on us or such persons within a reasonable period of time within the jurisdiction of such court in accordance with the laws and regulations of such jurisdiction or (ii) process was served on us or such persons with judicial assistance of the ROC; and

- judgments of the courts of the ROC are recognized and enforceable in the jurisdiction of the court rendering the judgment on a reciprocal basis.

A party seeking to enforce a foreign judgment in the ROC would, except under limited circumstances, be required to obtain foreign exchange approval from the Central Bank of the Republic of China (Taiwan) (the "CBC"), for the remittance out of the ROC of any amounts exceeding US$100,000 or its equivalent recovered in respect of such judgment denominated in a currency other than NT dollars. See "Appendix B — Foreign Investment and Exchange Controls in the ROC."

CERTAIN CONVENTIONS AND OTHER DATA

Except where the context otherwise requires, all references in this offering circular to "MediaTek," "our company" or the "Company" are to MediaTek Inc. itself. All references to the "Group" are to MediaTek Inc. and its subsidiaries. References to "we," "us" or "our" refer to MediaTek Inc. itself or MediaTek Inc. and its subsidiaries, as the context requires. All references to "Taiwan" or the "ROC" are to Taiwan and other areas under the effective control of the Republic of China. All references to the "ROC Government" are references to the government of the Republic of China. All references to "China", "mainland China" or the "PRC" are to the People's Republic of China and exclude, for the avoidance of doubt, Taiwan, Hong Kong and Macau unless otherwise specified. All references to "the United States," the "U.S." or the "US" are to the United States of America. All references to "Taiwan IFRS" are to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (collectively, "Taiwan IFRS"). All references to "IFRS" are to International Financial Reporting Standards as issued by the International Accounting Standards Board. All references to "United States dollars," "US dollars" and "US$" are to United States dollars, and references to "New Taiwan dollars," "NT dollars" and "NT$" are to New Taiwan dollars.

As the Shares are listed on the TWSE, our financial statements are required to be presented in New Taiwan dollars, the lawful currency of the ROC. Except as otherwise specified, all translations from NT dollars to US dollars are made using the exchange rate of NT$31.85 to US$1.00 on June 30, 2026, as set forth in the statistical release published by the Board of Governors of the Federal Reserve System of the United States (the "Federal Reserve Board"). No representation is made that the NT$ or US$ amounts referred to in this offering circular could have been or could be converted into US$ or NT$, as the case may be, at any particular rate, the above rate or at all.

Unless expressly stated otherwise, all financial information, descriptions and other information regarding our financial condition and results of operations as of and for the years ended December 31, 2023, 2024 and 2025 and as of and for the six months ended June 30, 2025 and 2026 included in this offering circular are presented on a consolidated basis.

In this offering circular, where information has been presented in thousands, millions or billions of units, amounts may have been rounded up or down. Accordingly, the total of columns or rows of numbers in tables may not be equal to the apparent total of the individual items and actual numbers may differ from those contained herein due to rounding.

We have compiled all industry and market information and statistics contained in this offering circular from various published and private sources, which may be inconsistent with other information compiled elsewhere. Neither we nor the Initial Purchaser has independently verified the accuracy of any of such information.

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SUMMARY

The following is only a summary and it may not contain all the information you should consider before deciding to invest in the Bonds. You should read this entire offering circular carefully, including the "Risk Factors" section and the financial statements and related notes.

Overview

Vision

AI for Life, from Edge to Cloud.

Who We Are

We are a leading fabless semiconductor company offering cutting-edge integrated circuit ("IC") products, commonly referred to as chips, including system-on-chip ("SoC") solutions and chipsets, as well as IC design services for smartphones, computing devices, smart homes, internet of things ("IoT") applications, automotive applications and artificial intelligence ("AI") data centers. Founded in May 1997 and headquartered in Hsinchu Science Park, Taiwan, we listed on the Taiwan Stock Exchange (TWSE: 2454) in July 2001. Over nearly three decades, we have expanded our global operations across Europe, the Americas and Asia and grown into a diversified platform company built on deep expertise in compute and connectivity, capabilities that increasingly converge as AI proliferates from devices to the data center.

Our Product Portfolio

Our foundational strengths in computing performance, power efficiency, AI, connectivity, and multimedia sit at the heart of every chip we design, supporting a broad range of platforms across diverse industries. We currently report our business across three revenue groups: Mobile Phone, Smart Edge Platforms and Power IC.

- *Mobile Phone.* Our Mobile Phone comprises 5G and 4G smartphone SoCs, which span flagship, premium, mainstream and entry tiers. Each SoC integrates the central processing, graphics, cellular modem, and imaging functions onto a single chip. Our latest flagship SoCs are designed to run increasingly capable on-device generative and agentic AI.

- *Smart Edge Platforms.* Our Smart Edge Platforms comprises connectivity (Wi-Fi, 5G modems, broadband and 10G passive optical network ("PON")), computing (tablets, Chromebooks and AI personal computers ("PCs")), smart TV, automotive and others. These products bring AI capability and higher-bandwidth connectivity to a broad range of everyday devices. Our emerging data center application-specific integrated circuits ("ASICs") business is currently reported within this group.

- *Power IC.* Our Power IC supplies power management components that regulate and deliver power efficiently across electronic systems. These products serve smartphone, computing, data center, connectivity, automotive and industrial applications, and frequently travel alongside larger compute platforms, allowing us to capture additional content within a device's bill of materials.

Competitive Strengths

We believe our success is primarily attributable to the following competitive strengths:

- Leading Full-Stack AI Innovator from Edge to Cloud;
- Diversified Product Portfolio with Leadership across Multiple Categories;
- Deep Partnerships with Global Customers, Ecosystem Partners and Supply-Chain Partners;
- Broad Proprietary IP Portfolio and Leading-Edge Design Capability; and
- Strong Balance Sheet and Seasoned Management Team.

Business Strategies

We plan to pursue the following strategies to accomplish our vision and mission:

- Scale the Data Center ASIC Franchise;
- Extend Edge AI and Connectivity Leadership and Accelerate Growth of Power Management Business;
- Deepen Relationship with Supply-Chain Partners; and
- Sustain Technology Leadership by Expanding Next-Generation Capabilities and Investing in World-Class Talent.

Summary of Risk Factors

Investing in the Bonds involves risks. You should carefully consider all of the information in this offering circular before making an investment in the Bonds, especially the risks and uncertainties discussed under "Risk Factors." Please find below a summary of the principal risks and uncertainties we face, organized under relevant headings. These risks are discussed more fully in "Risk Factors."

Risks Related to Our Business and Industry

- Our industry is characterized by rapid technological change, and if we fail to develop and introduce competitive new products and technologies on a timely basis, our business, financial condition and results of operations could be materially and adversely affected.
- We face intense competition in the markets in which we operate, and we may be unable to compete successfully.
- Our growth strategy increasingly depends on the development and adoption of AI technologies and AI-related products, and demand for these technologies may not develop as we expect.
- Evolving laws and regulations governing artificial intelligence may increase our compliance costs, restrict the use of our products and expose us to legal liability.
- A substantial portion of our revenue is derived from products for smartphones, and weakness in that market or our inability to successfully develop and expand other product areas could materially and adversely affect us.
- We derive a significant portion of our revenue from a limited number of customers, and the loss of, or a significant reduction in demand from, any of these customers could materially and adversely affect us.
- Our customers may develop their own integrated circuit products, which could reduce demand for our products.

- Winning customer designs is an unpredictable, lengthy and resource-intensive process, and a design win may not result in material revenue.

- We depend on a limited number of third-party foundries and other suppliers, and any failure to secure sufficient capacity, technology or materials could materially and adversely affect us.

- We rely on third parties for packaging, assembly and testing, and disruptions, capacity constraints or quality problems at these providers could delay shipments and increase our costs.

Risks Relating to the ROC

- Our business prospects, financial condition and results of operations could be adversely affected by political considerations relating to the ROC.

- Failure to obtain, maintain or renew approvals from the ROC Department of Investment Review ("DIR") in connection with inbound or outbound investments may materially and adversely affect our financial condition and results of operations.

- The imposition of foreign exchange restrictions may adversely affect foreign investors' ability to acquire securities listed in the ROC, including the Bonds and the Shares or to repatriate dividends or sale proceeds from the Shares.

Risks Relating to Ownership of the Bonds and the Common Shares

- There are limitations on the Bondholders' ability to exercise conversion rights.

- Future sales by the Company or its current shareholders of Common Shares or substantially similar securities, including securities convertible into or exchangeable for Common Shares, may adversely affect the value of your investment.

- A liquid market for the Bonds may not develop, and the market for the Common Shares may not be liquid.

Recent Developments

Pursuant to the rules and regulations of the TWSE, we report our consolidated net sales each month on the Market Observation Post System ("MOPS"). We announced that our consolidated net sales for July 2026 amounted to NT$48,475 million, representing a 12.16% increase from NT$43,220 million for July 2025. These financial data have not been audited or reviewed by our auditor, Ernst & Young, and are subject to adjustments based upon, among other things, the completion of applicable reporting processes. Actual results could differ materially from the unaudited financial data above.

THE OFFERING

The following is only a summary and is qualified in its entirety by reference to the "Description of the Bonds."

Issuer	MediaTek Inc.
The Offering	US$3,900,000,000 aggregate principal amount of currency-linked US dollar denominated zero coupon convertible bonds due 2031, being offered (i) within the United States to persons reasonably believed to be QIBs in reliance on Rule 144A (the "Rule 144A Bonds") and (ii) outside the United States to non-U.S. persons in reliance on Regulation S (the "International Bonds").
Interest	The Bonds will not bear any interest.
Closing Date	September 8, 2026
Maturity Date and Final Redemption	Unless previously redeemed, repurchased and canceled or converted, the Bonds will mature, and the Company will redeem the Bonds, on September 8, 2031 at the Settlement Equivalent (as defined herein) of 100.00% of the outstanding principal amount thereof.
Issue Price	100.00%
Ranking	The Bonds will be the Company's direct, unconditional, unsubordinated and unsecured obligations (but subject to a negative pledge, as described in "Negative Pledge" below), and will rank pari passu without any preference or priority among themselves and with all of its other direct, unconditional, unsubordinated and unsecured obligations.
Conversion	Subject to certain conditions, each holder of the Bonds (a "Holder") will have the right during the Conversion Period (as defined herein) to convert its Bonds (or any portion thereof being US$200,000 in principal amount or integral multiples of US$100,000 in excess thereof) into Common Shares, provided, however, that the Conversion Right during any Closed Period (as defined herein) shall be suspended and the Conversion Period shall not include any such Closed Period. See "Description of the Bonds — Conversion", and "Risk Factors — Risks Relating to Ownership of the Bonds and the Common Shares — There are limitations on the Bondholders' ability to exercise conversion rights." Subject to changes to ROC laws and regulations, the Company shall as soon as practicable but in no event more than five Trading Days (as defined herein) after receipt by the Company of the relevant valid Conversion Notice deliver Common Shares in book-entry form to the converting Holders for the purpose of trading the Common Shares on the TWSE.
Conversion Price	The conversion price will initially be NT$4,513.75 per Share determined on the basis of a fixed exchange rate applicable on

	conversion of Bonds of NT$31.6430 = US$1.00. The conversion price will be subject to adjustments for, among other things, subdivision or consolidation of shares, right issues, distributions, stock dividends, and other dilutive events. See "Description of the Bonds."
Settlement Equivalent	For the relevant Rate Calculation Date (as defined herein) in respect of any US Dollar-denominated amount payable in respect of the Bonds, means such US Dollar amount converted into NT Dollar amount using the Fixed Exchange Rate of NT$31.6430 = US$1.00, and then converted back to US Dollar amount using the applicable Prevailing Rate (as defined herein) on such date.
Early Redemption Amount.....	The Early Redemption Amount for each US$100,000 principal amount of the Bonds is determined so that it represents for the Holder a yield of 0.00% per annum, calculated on a semi-annual basis.
Redemption at the Option of the Issuer	The Company may redeem all, but not part, of the Bonds at any time on not less than 30 nor more than 60 days' notice at the Settlement Equivalent of the applicable Early Redemption Amount if more than 90% in principal amount of the Bonds originally issued has been redeemed, repurchased and canceled or converted; provided that the Redemption Date does not fall within a Closed Period.
Additional Amounts	All payments of principal and other amounts on the Bonds and all deliveries of Common Shares on conversion will be made without withholding or deduction for Taxes imposed by the ROC or any other jurisdiction in which the Company is organized or resident for tax purposes or from which any payment on the Bonds is made, unless required by law. Subject to customary exceptions, if withholding or deduction is required, the Company will pay Additional Amounts so that Holders receive the amounts they would have received absent such withholding or deduction.
Tax Redemption.....	If, as a result of certain changes relating to the tax laws in the ROC or such other jurisdiction in which the Company is then organized or resident for tax purposes (or any political subdivision or authority or agency thereof), the Company becomes obligated to pay Additional Amounts, the Bonds may be redeemed at the option of the Company, in whole but not in part, at the Settlement Equivalent of the applicable Early Redemption Amount; provided that such right cannot be exercised earlier than 45 days prior to the first date on which the Company would be obligated to make an Additional Amounts payment with respect to all or substantially all of the outstanding Bonds were a payment then due. Notwithstanding the foregoing, if the outstanding principal amount of the Bonds at the time when such redemption notice is given is greater than 10% of the aggregate principal amount of the Bonds as of the Closing Date, Holders may elect not to have their Bonds redeemed but with no entitlement to any Additional Amounts or reimbursement of additional tax. See "Description of the Bonds — Redemption for Taxation Reasons."
Repurchase in the Event of Change	Unless the Bonds have been previously redeemed, repurchased and canceled or converted, each Holder shall have the right, at such

of Control	Holder's option, to require the Company to repurchase, in whole but not in part (being US$200,000 in principal amount or integral multiples of US$100,000 in excess thereof), such Holder's Bonds at the Settlement Equivalent of the applicable Early Redemption Amount upon the occurrence of a Change of Control, as defined herein. See "Description of the Bonds — Repurchase in the Event of Change of Control."
Repurchase in the Event of Delisting or Trading Suspension	If the Common Shares cease to be listed or admitted to trading on the TWSE, or trading of the Common Shares on the TWSE is suspended for 30 or more consecutive Trading Days, each Holder may require the Company to repurchase all, but not part, of that Holder's Bonds on the 20th Business Day after the Company gives notice of the event, at the Settlement Equivalent of the applicable Early Redemption Amount.
Negative Pledge	So long as any Bond remains outstanding, the Company will not, and will ensure that none of its Principal Subsidiaries will, create or permit to subsist any Lien on any of its or such Principal Subsidiary's property, assets or revenues to secure International Investment Securities unless the Bonds are secured equally and ratably or with other security, guarantee, indemnity or arrangement approved by Holders of not less than 50% in principal amount of the outstanding Bonds. See "Description of the Bonds — Certain Covenants — Negative Pledge."
Form and Denomination	The Bonds will be issued only in fully registered form, without interest coupons, in denominations of US$200,000 and integral multiples of US$100,000 in excess thereof. The Rule 144A Bonds and the International Bonds will initially be represented by separate global bonds registered in the name of The Bank of New York Depository (Nominees) Limited as nominee for The Bank of New York Mellon, London Branch, as common depositary for Euroclear and Clearstream. The Bonds will not be issuable in a bearer form.
Use of Proceeds	Procurement of raw materials in foreign currencies.
Listing	Approval in-principle has been received for the listing of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this offering circular. Approval in-principle for the listing of the Bonds is not to be taken as an indication of the merits of the Offering, the Company, the Group, its subsidiaries or any of their associated companies or the Bonds. Prior to the Offering, there has been no market anywhere for the Bonds, or any market outside the ROC for the Common Shares. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Company will appoint and maintain a paying agent in Singapore where the Bonds may be presented or surrendered for payment or redemption in the event that any of the Global Bonds is exchanged for individual definitive Bonds. In

	addition, in the event that any of the Global Bonds is exchanged for individual definitive Bonds, announcement of such exchange will be made by the Company or on its behalf through the SGX-ST. Such announcement will include all material information with respect to the delivery of the individual definitive Bonds, including details of the paying agent in Singapore. For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds will be traded on the SGX-ST in a minimum board lot size of US$200,000.
Lock-Ups	The Company has agreed that subject to certain exceptions, for a period beginning from the date of the purchase agreement, dated August 31, 2026, entered into between the Company and the Initial Purchaser and ending 90 days following the Closing Date, the Company will not, without the Initial Purchaser's prior written consent, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of any Bonds or Common Shares or any securities convertible into or exchangeable for Bonds or Common Shares. See "Plan of Distribution."
Trading Market for the Common Shares	The only trading market for the Common Shares is the TWSE. The Common Shares have been listed on the TWSE under the trading code "2454."
Governing Law	The laws of the State of New York.
Trustee.....	The Bank of New York Mellon, London Branch
Principal Paying Agent and Conversion Agent	The Bank of New York Mellon, London Branch
Registrar and Transfer Agent	The Bank of New York Mellon SA/NV, Dublin Branch
Transfer Restrictions.....	None of the Bonds or the Common Shares issuable upon conversion of the Bonds has been registered under the Securities Act, and those securities are subject to restrictions on transfer. See "Transfer Restrictions."
Delivery of the Bonds	Delivery of the Bonds, against payment in same-day funds, will be on the Closing Date.

SUMMARY FINANCIAL DATA

The following summary financial information has been derived from our audited consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 and unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 included elsewhere in this offering circular, which have been prepared in accordance with the Taiwan IFRS and with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," as endorsed and became effective by the Financial Supervisory Commission of the Republic of China (the "FSC"). You should read the following selected financial information together with our financial statements included elsewhere in this offering circular. Neither these data nor the format in which they are presented should be viewed as comparable to information prepared in accordance with IFRS or generally accepted accounting principles elsewhere. See "Summary of Certain Material Differences between Taiwan IFRS and IFRS."

Consolidated financial information

Consolidated Statements of Comprehensive Income Data

	Year ended December 31,				Six months ended June 30,		
	2023	2024	2025		2025	2026	
	NT$	NT$	NT$	US$[1]	NT$	NT$	US$[1]
	(in thousands, except for earnings per share information)						
Net sales	433,446,330	530,585,886	595,965,682	18,711,638	303,680,808	301,333,121	9,461,009
Operating costs	(226,079,292)	(267,200,185)	(312,885,741)	(9,823,728)	(155,993,666)	(161,970,152)	(5,085,404)
Gross profit	207,367,038	263,385,701	283,079,941	8,887,910	147,687,142	139,362,969	4,375,605
Operating expenses							
Selling expenses	(14,423,677)	(17,089,713)	(20,447,681)	(641,998)	(9,920,539)	(9,696,959)	(304,457)
Administrative expenses	(9,703,256)	(11,946,997)	(10,856,762)	(340,872)	(5,616,046)	(6,198,869)	(194,627)
Research and development expenses	(111,384,930)	(131,993,135)	(148,306,389)	(4,656,402)	(72,705,294)	(77,705,854)	(2,439,744)
Expected credit impairment gains (losses)	(55,669)	56,111	586	18	(12,999)	(2,661)	(84)
Total operating expenses	(135,567,532)	(160,973,734)	(179,610,246)	(5,639,254)	(88,254,878)	(93,604,343)	(2,938,912)
Operating income	71,799,506	102,411,967	103,469,695	3,248,656	59,432,264	45,758,626	1,436,692
Non-operating income and expenses							
Interest income	7,307,831	11,149,734	10,819,306	339,696	5,524,232	4,958,682	155,689
Other income	6,700,758	3,934,113	5,944,689	186,646	2,754,841	2,766,596	86,863
Other gains and losses	1,095,336	1,959,681	4,521,114	141,950	148,372	1,054,617	33,112
Finance costs	(399,373)	(453,291)	(652,032)	(20,472)	(321,139)	(187,012)	(5,872)
Share of profit of associates and joint ventures accounted for using the equity method.	278,384	516,576	785,029	24,648	242,196	629,570	19,767
Total non-operating income and expenses	14,982,936	17,106,813	21,418,106	672,468	8,348,502	9,222,453	289,559
Net income before tax	86,782,442	119,518,780	124,887,801	3,921,124	67,780,766	54,981,079	1,726,251
Income tax expense	(9,591,498)	(12,378,157)	(18,770,226)	(589,332)	(10,187,408)	(5,999,642)	(188,372)
Net income	77,190,944	107,140,623	106,117,575	3,331,792	57,593,358	48,981,437	1,537,879
Other comprehensive income, net of tax	6,782,875	15,195,645	(17,769,492)	(557,912)	(39,037,354)	12,902,151	405,091
Total comprehensive income	83,973,819	122,336,268	88,348,083	2,773,880	18,556,004	61,883,588	1,942,970
Net income for the periods attributable to:							
Owners of the parent	76,978,637	106,386,578	105,319,255	3,306,727	57,173,177	48,488,714	1,522,409
Non-controlling interests	212,307	754,045	798,320	25,065	420,181	492,723	15,470
	77,190,944	107,140,623	106,117,575	3,331,792	57,593,358	48,981,437	1,537,879
Total comprehensive income for the periods attributable to:							
Owners of the parent	83,781,837	121,555,605	87,554,841	2,748,975	18,216,895	61,348,301	1,926,163
Non-controlling interests	191,982	780,663	793,242	24,905	339,109	535,287	16,807
	83,973,819	122,336,268	88,348,083	2,773,880	18,556,004	61,883,588	1,942,970
Earnings per share							
Basic earnings per share (in dollars)	48.51	66.92	66.16	2.08	35.92	30.44	0.96
Diluted earnings per share (in dollars)	48.34	66.78	66.03	2.07	35.87	30.38	0.95

Consolidated Balance Sheet Data

	As of December 31,				As of June 30,		
	2023	2024	2025		2025	2026	
	NT$	NT$	NT$	US$[1]	NT$	NT$	US$[1]
				(in thousands)			
Total current assets	290,888,768	351,025,462	397,456,191	12,479,001	349,132,017	397,005,577	12,464,853
Total non-current assets	344,149,726	346,842,068	346,328,614	10,873,740	320,082,384	390,442,795	12,258,801
Total assets	**635,038,494**	**697,867,530**	**743,784,805**	**23,352,741**	**669,214,401**	**787,448,372**	**24,723,654**
Total current liabilities	231,999,004	266,902,326	303,349,808	9,524,327	258,215,059	320,318,775	10,057,104
Total non-current liabilities	28,834,132	25,909,857	31,239,976	980,847	26,471,670	34,487,897	1,082,823
Total equity	374,205,358	405,055,347	409,195,021	12,847,567	384,527,672	432,641,700	13,583,727
Total liabilities and equity	**635,038,494**	**697,867,530**	**743,784,805**	**23,352,741**	**669,214,401**	**787,448,372**	**24,723,654**

Consolidated Statements of Cash Flow Data

	Year ended December 31,				Six months ended June 30,		
	2023	2024	2025		2025	2026	
	NT$	NT$	NT$	US$[1]	NT$	NT$	US$[1]
				(in thousands)			
Net cash generated from (used in) operating activities	166,091,322	156,054,607	162,792,872	5,111,236	59,091,662	6,593,980	207,032
Net cash generated from (used in) investing activities	(28,745,701)	(35,927,693)	(37,753,968)	(1,185,368)	(17,745,219)	(23,680,906)	(743,514)
Net cash generated from (used in) financing activities	(118,569,139)	(90,119,376)	(87,674,751)	(2,752,739)	(42,076,029)	(31,150,056)	(978,024)
Net increase (decrease) in cash and cash equivalents	17,893,855	38,299,882	31,594,190	991,968	(18,347,336)	(46,289,422)	(1,453,357)

Other Financial Data

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
Gross margin[2]	47.8%	49.6%	47.5%	48.6%	46.2%
Operating margin[3]	16.6%	19.3%	17.4%	19.6%	15.2%
Net margin[4]	17.8%	20.2%	17.8%	19.0%	16.3%

(1) Translation of amounts from NT dollars into US dollars has been made at the rate prevailing on June 30, 2026 of NT$31.85 = US$1.00. The exchange rate is not derived from the audited or unaudited financial statements.
(2) Gross margin is calculated by dividing gross profit by net sales, multiplied by 100%.
(3) Operating margin is calculated by dividing operating income by net sales, multiplied by 100%.
(4) Net margin is calculated by dividing net income by net sales, multiplied by 100%.

RISK FACTORS

Investing in the Bonds involves risks, and you should carefully consider the risks described below before making an investment decision. In addition, you should also carefully consider all of the information contained in this offering circular, including our financial statements and related notes. You should note that we are governed in the ROC by a legal and regulatory environment that in some material respects may be different from that prevailing in other countries.

Risks Related to Our Business and Industry

Our industry is characterized by rapid technological change, and if we fail to develop and introduce competitive new products and technologies on a timely basis, our business, financial condition and results of operations could be materially and adversely affected.

The IC design industry is characterized by rapid technological change, evolving complex technical standards, frequent new product introductions, short product cycles and changing customer and end-user requirements. Our IC products span smartphones, tablets and Chromebooks, connectivity, broadband, smart homes, IoT, automotive and custom ASICs. To remain competitive across these markets, we must continuously enhance our existing products and technologies and develop increasingly complex SoC products and connectivity solutions on a timely basis. To this end, we devote substantial resources to research and development aimed at delivering higher performance, lower power consumption, enhanced security and greater integration at a competitive cost structure.

Our ability to compete depends in part on our successful adoption of advanced process nodes, advanced packaging and high-speed connectivity technologies. Moving to smaller geometries and more complex packaging generally increases design complexity, mask and prototype costs, verification requirements, manufacturing lead times and the risk of lower yields or reliability issues. Technologies, design methodologies and intellectual property that work at one process node or for one product generation may not work at a more advanced node or in a different application. We may also depend on foundries, packaging providers and other suppliers to develop and make available manufacturing processes and capacity that meet our performance, cost, yield and schedule requirements.

Our investments in next-generation products require substantial financial and engineering resources, and we may not timely complete the development of new technologies or products, obtain required certifications, achieve expected performance or yields, or secure customer adoption. If we invest in technologies, standards or product categories that do not develop as anticipated, if competing technologies become more widely accepted, or if our product roadmaps do not align with customer product cycles, our investments may not generate an adequate return and our competitive position could be harmed.

Delays in the development, qualification, tape-out, production ramp or commercial introduction of a product may cause us to miss a customer launch window or lose a design opportunity for an entire product generation. Even if we timely introduce a new product, it may not achieve market acceptance, may be more costly to manufacture than expected or may be superseded by a competing product. Any of these events could materially and adversely affect our business, financial condition and results of operations.

We face intense competition in the markets in which we operate, and we may be unable to compete successfully.

The markets for IC design products are highly competitive. We compete with semiconductor companies engaged in IC design, including integrated device manufacturers ("IDMs") and fabless IC design semiconductor companies, as well as ASIC design service companies. We also compete with other current or prospective customers that develop competing semiconductor products internally. Competition may intensify as existing competitors expand their product offerings, new competitors enter our markets, customers develop products internally, governments support domestic semiconductor industries, and the industry continues to consolidate.

Some of our competitors may have greater financial, manufacturing, marketing, distribution or research and development resources, broader product and patent portfolios in certain areas, stronger relationships with certain customers, suppliers or ecosystem partners, or longer operating histories in particular markets. Certain competitors

may also be willing to accept lower prices or margins to gain market share, may bundle products across a broader portfolio or may receive governmental or other support that reduces their cost of capital or operating costs. Competitors that own manufacturing facilities may in some circumstances have greater control over capacity, costs and production schedules, while competitors with substantial software or platform businesses may influence technical interfaces or ecosystem requirements.

Our ability to compete depends on many factors, including product performance, power efficiency, integration, security, reliability, quality, price, time-to-market, software support, compliance with technical standards, access to manufacturing capacity, customer support and the breadth of our intellectual property. Competitive pressure may lead to price reductions, increased research and development spending, greater customer concessions, shorter product cycles and loss of design opportunities. If we are unable to differentiate our products, respond to changing market requirements or maintain competitive cost structures, we may lose market share, our average selling prices and gross margin may decline and our business, financial condition and results of operations could be materially and adversely affected.

Our growth strategy increasingly depends on the development and adoption of AI technologies and AI-related products, and demand for these technologies may not develop as we expect.

We are investing significant resources in products and intellectual property for both edge and cloud AI applications, including AI processing capabilities, high-speed connectivity and SerDes technologies. The market for AI technologies is evolving rapidly and is subject to uncertainties regarding use cases, customer adoption, business models, infrastructure requirements, regulation, energy consumption, availability of data and the economic returns that customers may realize from AI-related capital expenditures.

AI-related demand may be volatile and may be concentrated among a limited number of large customers. Customers may reduce, delay or cancel AI-related programs if they are unable to obtain power, memory, manufacturing capacity, networking equipment or financing, if expected applications do not generate adequate returns, or if alternative technologies or architectures become more attractive. In addition, AI models and software frameworks may evolve in ways that reduce the importance of hardware features in which we have invested or favor competing architectures and ecosystems.

AI technologies may also present legal, regulatory, ethical, cybersecurity, privacy, intellectual property and product-liability risks that could slow adoption or require changes to our products. Our AI-related products may not achieve expected performance, power efficiency, software compatibility or market acceptance, and the returns on our investments may take longer than expected or may not materialize. A slowdown in AI-related demand, a loss of design opportunities or an inability to compete effectively in AI markets could materially and adversely affect our growth prospects, business and results of operations.

Evolving laws and regulations governing artificial intelligence may increase our compliance costs, restrict the use of our products and expose us to legal liability.

We incorporate AI capabilities into many of our products, including processing capabilities that support generative AI features and other AI-enabled applications across smartphone, automotive, smart home and data center platforms. Governments and regulatory bodies around the world are developing and implementing laws, regulations and standards governing the development, deployment and use of AI technologies.

Compliance with AI regulations may require us to take additional measures and incur additional costs. Regulatory requirements may also impose obligations on our customers, which could reduce demand for AI-enabled products or require changes to how our products are marketed and sold.

To the extent applicable, AI technologies may also give rise to legal liability related to intellectual property infringement, privacy violations, product safety and other matters. If our AI-enabled products are found to violate applicable laws, we may face litigation, regulatory investigations, fines and reputational damage. The legal and regulatory landscape for AI is rapidly evolving and uncertain, and we cannot predict how future developments will affect our or our customers' products, business or results of operations. Failure to comply with applicable AI

regulations or to anticipate regulatory changes could materially and adversely affect our business, financial condition and results of operations.

A substantial portion of our revenue is derived from products for smartphones, and weakness in that market or our inability to successfully develop and expand other product areas could materially and adversely affect us.

A substantial portion of our revenue is derived from products for smartphones. Therefore, our results of operations depend significantly on smartphone demand, the timing and success of customer device launches and our competitive position across brands and product tiers. Smartphone demand is affected by economic conditions, replacement cycles, product innovation and inventory levels in the supply chain. Smartphone unit growth may be limited, and consumers may extend replacement cycles or shift to refurbished, secondhand or lower-priced devices. The adoption of new communications standards and AI-enabled features may proceed more slowly than expected or may not drive device upgrades or increased demand for our products. Changes in consumer preferences may also shift demand away from customers or products in which we have a stronger position. Short product cycles and inventory corrections may cause customers to reduce purchases. Weak end-market demand, unsuccessful customer launches, losses of market share by our customers or increased supply-chain inventories could materially and adversely affect our revenue, gross margin, inventory levels and results of operations.

We also continue to develop and expand other product areas, including wireless communication and broadband networking products, automotive products, ASICs for enterprise and data center applications and power management ICs. Further expansion in these areas may require different technologies, customer relationships and qualification processes, as well as significant research and development and supply-chain investments before particular products or programs generate material revenue. The resulting products may not achieve sufficient customer adoption or acceptable pricing and margins, and product development, qualification and production ramps may take longer or cost more than expected. Certain product areas may involve additional risks. For example, automotive design-in and product life cycles are generally longer than those for consumer electronics, and automotive customers impose stringent requirements relating to quality, functional safety, cybersecurity, reliability, traceability, change control and long-term supply. Obtaining an automotive design win may require substantial investment over several years and may not result in significant production volumes, and product defects or security vulnerabilities may result in recalls, warranty or product-liability claims and reputational harm. Custom ASICs for enterprise and data center applications may require significant customer-specific development and have limited alternative uses if the relevant customer program is delayed, reduced or canceled.

If we are unable to maintain our competitive position in smartphones, or if further investments in other product areas do not generate material revenue or acceptable returns, our revenue, gross margin, growth prospects and results of operations could be materially and adversely affected.

We derive a significant portion of our revenue from a limited number of customers, and the loss of, or a significant reduction in demand from, any of these customers could materially and adversely affect us.

A limited number of customers account for a significant portion of our revenue. In 2023, 2024 and 2025, three customers in each year individually accounted for more than 10% of our net sales, and, in the aggregate, they accounted for 33.8%, 39.3% and 38.9% of our net sales, respectively. For the six months ended June 30, 2026, two customers individually accounted for more than 10% of our net sales, and, in the aggregate, they accounted for 20.3% of our net sales. This customer concentration is due, in part, to the fact that many of our key customers are global market leaders in their respective end markets and therefore account for a significant portion of the overall demand for our products. Accordingly, fluctuations in revenue from these key customers may result not only from customer-specific factors, but also from changes in broader market demand, industry conditions and end-market trends. We expect that a relatively small number of customers may continue to account for a significant portion of our revenue for the foreseeable future. This customer concentration increases our exposure to changes in the business, financial condition, product strategies, market share and purchasing decisions of these customers and may contribute to significant fluctuations in our results from period to period.

Any of these key customers may reduce, delay or cancel orders; shift purchases to a competitor; increase its use of internally developed products; change its product roadmap; fail to qualify our products; or discontinue, delay or fail to achieve market acceptance for a product incorporating our technology. Apart from customer-specific

factors, major changes in global economy, broader market demand, industry conditions and end-market trends may also result in significant fluctuations in revenue from these key customers.

Our success also depends on our customers' ability to develop, manufacture, market and sell products that incorporate our products. We do not control our customers' product development schedules, marketing efforts, pricing, distribution, inventory management or end-market acceptance. A delayed or unsuccessful product launch by a significant customer, a loss of market share by that customer, a decline in its financial condition or a change in its sourcing strategy could reduce demand for our products, even if our products perform as designed. The loss of, or a material reduction in business from, one or more significant customers could materially and adversely affect our revenue, gross margin, results of operations and cash flows.

Our customers may develop their own integrated circuit products, which could reduce demand for our products.

Certain large device manufacturers, cloud service providers and other technology companies have developed, are developing or may develop their own integrated circuit products. Customers may vertically integrate to differentiate their products, reduce reliance on external suppliers, optimize system performance, secure greater control over their supply chains or respond to governmental policies encouraging domestic semiconductor capabilities. Periodic shortages of semiconductor capacity may further encourage customers to develop internal capabilities or enter into direct, long-term arrangements with other suppliers.

A customer's internally developed product may replace all or a portion of the functionality provided by our products, reduce the number or scope of our products incorporated into the customer's devices or otherwise reduce its purchases from us. Even where a customer continues to purchase from us, it may use internally developed products in some models, product tiers, regions or generations, which could reduce our volumes and weaken our position in future design selections. A customer may also use its internal development capabilities to obtain more favorable pricing and contractual terms from us.

We may devote substantial engineering and development resources to a customer's requirements without receiving a binding purchase commitment. If a customer later adopts an internally developed or competing solution, we may not recover those expenditures and may be unable to redeploy the related product or inventory to another customer. Increased vertical integration by our customers could materially and adversely affect our revenue, gross margin, market share, business and results of operations.

Winning customer designs is an unpredictable, lengthy and resource-intensive process, and a design win may not result in material revenue.

Our business depends on our IC products being selected for incorporation into customers' devices and systems, commonly referred to as design wins. The design-selection process may begin well in advance of commercial production and can require us to dedicate significant engineering, software, testing, customer support and other resources to a particular opportunity. The timing and outcome of these processes are uncertain, and we may incur substantial costs without obtaining a design win.

Failure to obtain a design win for a particular product or customer may reduce our opportunity to participate in subsequent generations because customers often seek continuity in architectures, software, supplier relationships and qualification processes. Conversely, obtaining a design win does not guarantee any minimum level of sales. A customer may delay or cancel the related product, reduce its volume forecast, use multiple suppliers, fail to qualify our product, encounter its own supply or product-development problems or fail to achieve market acceptance.

These risks are particularly significant for customized products and ASICs, which may require substantial customer-specific development and may have limited alternative uses if the customer's program is delayed, reduced or canceled. The simultaneous development or production ramp of multiple complex products may also strain our engineering resources, supply chain and quality-control processes. If we fail to convert design wins into profitable, high-volume production, or if the timing or volume of customer programs differs from our expectations, our business, financial condition and results of operations could be materially and adversely affected.

We depend on a limited number of third-party foundries and other suppliers, and any failure to secure sufficient capacity, technology or materials could materially and adversely affect us.

We operate primarily under a fabless business model and outsource wafer fabrication to third-party foundries. In 2023, 2024 and 2025, and for the six months ended June 30, 2026, our three largest suppliers accounted for 81.5%, 84.9%, 86.5% and 82.5% of our total purchases, respectively. The number of foundries capable of manufacturing complex products at leading process nodes is limited, and certain products are designed for a specific foundry, process or facility.

We depend on our foundry suppliers to timely develop and make available appropriate process technologies, allocate sufficient capacity to us, achieve target yields and quality, and deliver wafers at competitive prices. Foundries also manufacture products for other customers, including our competitors, and may prioritize capacity for those customers or their own products. Capacity may be unavailable or available only on unfavorable terms during periods of high demand, and suppliers may increase prices or require deposits, prepayments, long-term commitments or contributions to capital expenditures.

Transferring a product to an alternative foundry or process is a lengthy, costly and technically challenging process that may require redesign, new masks, requalification, software changes and customer approval. For leading-edge products, a commercially viable alternative may not exist. A foundry may also migrate capacity away from older process nodes used by certain of our connectivity, consumer or analog products, creating shortages even when industry-wide capacity appears adequate.

Our products also depend on the availability of raw materials and components used by our foundry or OSAT suppliers, including wafers, substrates, memory, interposers, photomasks, and other materials and components. Shortages, quality problems, trade restrictions, supplier financial distress or price increases affecting any critical input could delay production or increase costs. In certain circumstances, certain raw materials and components used in our products may be procured by our customers. If we or our customers are unable to secure sufficient capacity, process technology, materials or components on acceptable terms, we may be unable to meet customer demand and our business, financial condition and results of operations could be materially and adversely affected.

We rely on third parties for packaging, assembly and testing, and disruptions, capacity constraints or quality problems at these providers could delay shipments and increase our costs.

After wafer fabrication, our products generally require wafer testing, packaging, assembly and final testing by third-party service providers. We have limited direct control over these providers' capacity allocation, production schedules, procurement of materials, manufacturing yields, quality systems, labor practices, cybersecurity or compliance with applicable laws. Our products may require advanced packaging processes, specialized substrates or testing equipment that are available from only a limited number of providers.

Packaging, assembly and test capacity may become constrained during periods of strong demand or following disruptions at a supplier or in a particular region. Providers may fail to obtain sufficient materials or equipment, experience quality or yield problems, suffer power or water shortages, be affected by cyberattacks or natural disasters or prioritize other customers. Poor yields or quality problems may be difficult to identify until late in the manufacturing process or after products have been delivered to customers.

Qualifying a new packaging, assembly or test provider can require significant time, engineering resources and customer approval, and an alternative provider may not be available for a specialized process. Delays, shortages or defects at these providers could result in missed customer delivery dates, product shortages, increased costs, warranty claims and damage to customer relationships. Any of these events could materially and adversely affect our business, financial condition and results of operations.

The development and production of our products are highly complex, and delays, defects, errors or security vulnerabilities could harm our reputation, customer relationships and financial results.

Our products are highly complex and may contain defects, errors, security vulnerabilities or other failures arising from product architecture, circuit design, embedded firmware, third-party intellectual property, verification, wafer fabrication, packaging, assembly, testing or integration into a customer's system. These risks may increase as we use smaller process geometries, advanced packaging and higher-speed interfaces and incorporate more sophisticated AI, multimedia, communications and security functions.

Some defects, reliability issues or security vulnerabilities may not be identified until our products enter volume production, are incorporated into customers' devices or systems or are used in the field. Responsibility may be difficult to determine because such issues may involve our product design or embedded firmware, third-party technologies, manufacturing or packaging processes, customer implementation or interactions among multiple components. Security vulnerabilities may also become apparent or exploitable only after commercial release as attack techniques evolve. We may be unable to identify or mitigate all vulnerabilities before they are exploited, and device manufacturers and other customers may not implement or distribute patches, firmware updates, workarounds or other mitigations promptly or at all.

If such issues are identified or exploited, we may be required to delay or suspend shipments, redesign or re-spin products, develop and provide patches, firmware updates, workarounds or other mitigations, replace affected products or assist with customer field actions or recalls. We may also be subject to warranty, indemnification or other contractual claims. Product defects or security vulnerabilities could result in unauthorized access to systems or data, data loss, service disruption, device compromise and, in certain applications, safety risks.

Any such event could cause us to miss market windows, lose design wins or future business, divert engineering resources from new products, incur inventory write-downs or significant remediation costs, face litigation or regulatory investigations and damage our reputation. Any of these events could materially and adversely affect our business, financial condition and results of operations.

We may be subject to warranty claims, product liability suits and indemnification obligations that could be costly and harm our reputation.

We may provide certain warranties on our products and may be required to indemnify customers, foundries, assembly and test providers and other business partners against losses arising from defects, security vulnerabilities or other failures in our products. Our products are incorporated into a wide range of end products and systems, such as automobiles. If our products contain defects or fail to perform as specified, we may be required to repair or replace affected products, provide software patches or firmware updates, reimburse customers for costs incurred in connection with product failures or assist with field actions or recalls.

Product liability claims may be brought against us if our products cause or contribute to personal injury, property damage or other harm, particularly in applications such as automotive systems where product failures may have serious consequences. Even if such claims are ultimately resolved in our favor, defending against them may be costly and time-consuming and may divert management and engineering resources. An adverse judgment or settlement could require us to pay substantial damages and could damage our reputation and customer relationships.

Our warranty and indemnification obligations may not be adequately covered by insurance, and our insurance coverage may be subject to significant deductibles, exclusions and coverage limits. If we are required to make significant warranty payments or indemnification payments, or if we face significant product liability claims, our business, financial condition and results of operations could be materially and adversely affected.

Our quarterly and annual operating results are subject to substantial fluctuations, which may make our future results difficult to predict.

Our revenue, gross margin, operating expenses and results of operations have fluctuated and may continue to fluctuate significantly from period to period. These fluctuations may result from factors that are difficult to

predict and in many cases are outside our control, including:

- changes in end-market demand, customer product launch schedules and the success of products incorporating our solutions;
- the timing, size, pricing, product mix, rescheduling or cancellation of customer orders;
- customer and channel inventory levels and the timing and magnitude of inventory corrections;
- the timing of design wins, product qualifications, tape-outs, production ramps and transitions to new process nodes;
- the availability and cost of foundry, advanced packaging, assembly and test capacity and other critical materials and components;
- changes in average selling prices, manufacturing yields, warranty costs, foreign exchange rates and product mix;
- the timing and amount of research and development expenditures, strategic investments and litigation expenses; and
- changes in trade restrictions, tariffs, technical standards, laws or regulations.

A significant portion of our operating expenses is fixed or committed in advance, and manufacturing lead times may require us to make supply and inventory decisions before receiving firm customer orders. As a result, a relatively small variation in revenue or gross margin may have a disproportionate effect on our operating results. Period-to-period comparisons may therefore not be meaningful, and our historical results should not be relied upon as an indication of future performance.

We are subject to order and demand-forecasting uncertainties, and inaccurate forecasts could result in excess or obsolete inventory, unused capacity commitments or an inability to satisfy customer demand.

We plan production and place orders with foundries, assembly and test providers and other suppliers based on our forecasts and on forecasts provided by customers. These forecasts are subject to significant uncertainty and may change on short notice due to customer product schedules, end-market demand, competitor actions, supply availability, macroeconomic conditions and inventory levels throughout the supply chain. For example, unfavorable macroeconomic conditions, including economic slowdowns, inflation, elevated interest rates or reduced consumer and business spending, may weaken demand for our products and the end products in which they are incorporated. Customer forecasts generally do not constitute binding purchase commitments for the entire forecasted amount.

Manufacturing lead times, particularly for advanced process nodes and complex packaging, may be lengthy. To secure capacity or materials, we may be required to place orders, make deposits, enter into long-term commitments or bear certain supplier capital or development costs before receiving firm customer orders. If actual demand is lower than forecast, we may hold excess or obsolete inventory, incur cancellation or underutilization charges, lose deposits or record write-downs. Customized products and products manufactured on customer-specific processes may have limited alternative uses.

Conversely, if we underestimate demand or if our suppliers are unable or unwilling to provide sufficient capacity, materials or services, we may be unable to satisfy customer requirements, may allocate products among customers or may lose revenue and market share. Customers may respond by qualifying competing products or developing internal alternatives. Inaccurate forecasts, order cancellations, supply-demand mismatches or inventory corrections could materially and adversely affect our customer relationships, revenue, gross margin, cash flows and results of operations.

Our gross margin is affected by product mix, pricing pressure, manufacturing costs and other factors and may

decline.

Our gross margin varies by product, customer, end market, volume, process node, package type and stage of the product life cycle. Changes in the mix of flagship and mainstream smartphone products, connectivity products, consumer products, custom ASICs, automotive products and power management IC products may cause our gross margin to fluctuate. Products sold in competitive or mature markets may experience significant price erosion.

Our customers may seek annual or other periodic price reductions, and competitive conditions may require us to reduce prices more quickly than we can reduce costs. At the same time, foundries, assembly and test providers, intellectual property licensors and materials suppliers may increase prices, particularly during periods of constrained capacity or when advanced processes and packaging require substantial capital investment. We may be unable to pass these cost increases to customers or to obtain expected cost reductions as production volumes increase.

Gross margin may also be adversely affected by excess or obsolete inventory charges, lower-than-expected manufacturing yields, product defects, warranty or indemnification costs, unfavorable foreign exchange movements, changes in customer or product concentration and the terms of capacity commitments. If our product mix shifts towards lower-margin products, if average selling prices decline faster than unit costs or if manufacturing costs increase, our gross margin and results of operations could be materially and adversely affected.

We operate in the highly cyclical semiconductor industry, which is subject to significant downturns that may materially and adversely affect our business, financial condition and results of operations.

Demand for our products depends on demand for the electronic devices and systems in which they are incorporated. The semiconductor industry is highly cyclical and is characterized by wide fluctuations in product supply and demand, short product life cycles and price erosion. The industry has experienced significant downturns, often in connection with maturing product cycles and declines in general economic conditions. These downturns have been characterized by diminished demand, excess manufacturing capacity, high inventory levels and accelerated erosion of average selling prices. During such downturns, demand for our products may decrease and our revenue and gross margin may decline. Any future downturn of this nature could materially and adversely affect our business, financial condition and results of operations.

We depend on third-party intellectual property, software, tools and standards, and the loss of access to, or problems with, these technologies could impair our ability to develop and sell products.

We license and use third-party intellectual property and technology in our product development and operations, including electronic design automation (the "EDA") design software, processor, memory, interface, analog and other design IPs. Certain licenses may be available from only one or a limited number of suppliers and may be subject to usage restrictions, royalties, geographic limitations, confidentiality obligations or other terms.

A licensor may discontinue a technology, decline to renew a license, increase fees, impose less favorable terms, be acquired by a competitor or become subject to trade restrictions that limit our access. We may also be required to obtain additional licenses as standards evolve or as we enter new product areas. If a required license is unavailable on acceptable terms, we may need to redesign products, use inferior or less compatible technology, delay a product launch or discontinue a product. In addition, export controls imposed by the United States or other jurisdictions may restrict our access to EDA tools or intellectual property ("IP") from U.S.-based vendors, particularly for products intended for certain customers or end uses.

Third-party intellectual property, software and tools may contain defects, errors, vulnerabilities or incompatibilities that we do not control and that may not be discovered until after integration or commercial deployment. Adapting to a replacement technology can be costly and disruptive and may require customer requalification. Any inability to obtain, maintain or effectively use required third-party technology could materially and adversely affect our product roadmap, competitive position, business and results of operations.

If we are unable to protect our intellectual property and confidential information, our competitive position could

be harmed.

Our success depends substantially on our intellectual property, including patents, circuit layouts, software, trade secrets, design methodologies, product roadmaps and the know-how of our employees. We rely on a combination of patents, copyrights, trademarks, trade-secret laws, contractual restrictions, information-security measures and confidentiality and invention-assignment agreements to protect these assets. These measures may be insufficient, may not be available in all jurisdictions or may not prevent misappropriation, reverse engineering or independent development of competing technology.

Policing unauthorized use of our technology is difficult, costly and time-consuming, particularly in jurisdictions where intellectual property laws or enforcement practices provide less effective protection. Our products may be susceptible to reverse engineering, and our confidential information may be exposed through employees, former employees, customers, suppliers, joint-development partners, cyberattacks or inadvertent disclosure. Competition for engineering talent may increase the risk that employees leave for competitors or customers and use or disclose knowledge developed while working for us.

Our participation in standards-development organizations and our licensing or cross-licensing arrangements may require us to disclose technology or grant rights to certain patents on specified terms, which may limit our ability to exclude competitors or maximize the value of those rights. Patents may not issue from our applications, may be narrower than expected or may be challenged, invalidated, circumvented or rendered unenforceable. If we are unable to protect our intellectual property or confidential information, competitors may develop or sell competing products more quickly or at lower cost, and our business and results of operations could be materially and adversely affected.

We are subject to intellectual property infringement claims and other legal proceedings that could be costly, disruptive and harmful to our business.

The IC design industry is characterized by extensive patent portfolios and frequent intellectual property disputes. Third parties, including competitors and other entities, have asserted and may continue to assert patent, copyright, trade-secret, unfair competition or other claims against us, our subsidiaries, our customers or our suppliers. We are currently involved in intellectual property and other disputes in multiple jurisdictions, and additional claims may arise as we expand our product portfolio and geographic reach.

Intellectual property litigation is complex, costly and time-consuming, and its outcome is difficult to predict. Regardless of merit, claims may divert management and engineering resources, delay product development or shipments, damage customer relationships and require significant legal expenditures. We may be required to indemnify customers, foundries, assembly and test providers or other business partners, while any indemnification available to us from suppliers may be limited or difficult to enforce.

An adverse outcome could require us to pay damages, royalties, attorneys' fees or other amounts; obtain a license that may not be available on commercially reasonable terms; redesign or discontinue products; relinquish intellectual property rights; or cease sales or imports in one or more jurisdictions. Courts or regulatory bodies in one jurisdiction may impose remedies with cross-border effects. Any material claim, adverse judgment, injunction or settlement could materially and adversely affect our business, financial condition, results of operations and reputation.

Our use of open-source software in our products and development tools may expose us to intellectual property and licensing risks.

We incorporate open-source software into our products, firmware, development tools and internal systems. Open-source software is generally licensed under terms that allow users to use, copy, modify and distribute the software, subject to certain conditions. Some open-source licenses, including copyleft licenses such as the GNU General Public License, require that software derived from or combined with open-source code be made available under the same or similar license terms. If we were found to have incorporated open-source software into our proprietary products in a manner that triggers these requirements, we could be required to disclose or make available

portions of our proprietary source code, which could harm our competitive position and the value of our intellectual property.

Managing open-source software usage across a large and complex product portfolio is challenging. We may not always be aware of all open-source components incorporated into our products, particularly those introduced through third-party IP, software libraries or development tools. Failure to comply with open-source license terms could expose us to claims of copyright infringement, injunctions, damages and reputational harm. In addition, open-source software may contain security vulnerabilities, defects or errors that are not identified until after commercial deployment, and we may be unable to obtain support or patches from the open-source community on a timely basis.

Any of these risks could require us to redesign products, delay product launches, incur significant legal costs or disclose proprietary technology, which could materially and adversely affect our business, financial condition and results of operations.

Geopolitical tensions and volatile global economic conditions may put downward pressure on demand for our products, as well as our business, financial condition and results of operations.

The global economy has experienced significant volatility in recent years, including due to economic slowdown, rising interest rates, inflationary pressures, supply chain disruptions, trade tensions between the United States and other countries, the Russia-Ukraine conflict and ongoing instability in the Middle East and volatility in the global stock markets, which have led to less favorable financial and economic conditions. Beginning in February 2026, hostilities involving the United States, Israel and Iran escalated, including U.S. and Israeli military strikes on Iran and retaliatory attacks in the region, which further increased geopolitical uncertainty. Geopolitical tensions and armed conflicts may also disrupt global energy markets, critical shipping lanes, including the Strait of Hormuz, and regional air cargo routes and increase the costs of oil, natural gas, petrochemical-derived materials, industrial and specialty gases and other raw materials.

In recent years, trade and geopolitical tensions have intensified. There has been sustained friction between the United States and other countries regarding trade, technology and industrial policies, including tariffs, export controls and incentives to onshore or nearshore production and supply chains. The United States has revised and expanded tariffs on multiple occasions, including reciprocal tariffs effective August 7, 2025 on more than 90 trading partners, with a 20% rate applied to goods of the ROC. In early November 2025, the United States and the PRC announced an arrangement under which certain retaliatory measures would be suspended or removed and certain U.S. tariff measures would remain suspended through November 10, 2026. On February 12, 2026, the Office of the U.S. Trade Representative announced that the United States and the ROC had signed an Agreement on Reciprocal Trade, under which the tariff rate on originating goods of the ROC would generally be the higher of the applicable most-favored-nation rate or 15%. On February 20, 2026, the U.S. Supreme Court held that the International Emergency Economic Powers Act does not authorize the President to impose tariffs. On the same day, the President issued a proclamation under Section 122 of the Trade Act of 1974 imposing a temporary 10% ad valorem import surcharge on most articles imported into the United States, effective February 24, 2026 for 150 days. Effective July 24, 2026, the Office of the U.S. Trade Representative imposed new Section 301 tariffs on products of 60 economies, subject to specified exemptions, following investigations concerning failures to impose and effectively enforce prohibitions on imports produced with forced labor. For non-exempt products of the ROC, the combined applicable most-favored-nation tariff and Section 301 tariff generally equals 10%, and no Section 301 tariff applies where the most-favored-nation tariff is at least 10%. Broader tariffs on semiconductors, semiconductor manufacturing equipment and their derivative products may also be considered following trade negotiations. Given the evolving U.S. tariff regime and ongoing discussions between the United States and its trading partners, there remains significant uncertainty as to whether the United States may further change the scope or level of tariffs in the near future. Additional tariffs targeting specific sectors and products are also under consideration. These trade actions have triggered retaliatory measures and heightened global uncertainty surrounding trade policy, supply chain stability and cross-border investment. We cannot assure you that such trade-related regulations, rules or measures will not adversely affect our business, financial condition and results of operations. To the extent changes in the political environment negatively affect us or the markets in which we operate, our business, results of operations and financial condition could be materially and adversely affected.

The uncertain nature, magnitude and duration of ongoing geopolitical conflicts and tensions, including the Russia-Ukraine conflict, the conflict involving Israel and Iran and broader instability in the Middle East, as well as increasing geopolitical and trade tensions among major economies, have contributed to increased market volatility and economic uncertainty. These developments, together with any related sanctions, export controls, retaliatory measures, cyber-attacks, disruptions to global trade routes, shipping delays, increases in energy prices or other adverse consequences, could negatively affect macroeconomic conditions and amplify existing supply chain challenges. As a result of Russia's invasion of Ukraine, the United States, the United Kingdom, the European Union and other jurisdictions have imposed and may continue to impose economic sanctions, export controls and other restrictive measures. In addition, ongoing conflicts and tensions in the Middle East have contributed to uncertainty in global energy markets and international shipping routes. There can be no assurance that additional sanctions, export controls, tariffs, trade restrictions, military actions or other governmental measures will not be adopted in response to these or other geopolitical developments. Although we have not been materially adversely affected by these geopolitical conflicts to date, the ultimate impact of such conflicts and related governmental responses remains uncertain. These developments, as well as any future geopolitical conflicts, trade disputes or international tensions, could adversely affect our business, supply chain, suppliers, customers and demand for our products. In particular, disruptions affecting the availability, cost or transportation of raw materials, components, manufacturing equipment or other inputs necessary for our operations could impair our ability to manufacture and deliver products in a timely and cost-effective manner.

Our business is sensitive to global economic conditions. There are ongoing concerns relating to the political gridlock in the United States over government spending and debt levels and the consequences for economic growth and investor confidence in the United States. Central banks in major economies have maintained restrictive monetary policy conditions for an extended period to combat inflation, although the timing, pace and direction of future monetary policy remain uncertain. Prolonged tight monetary conditions may slow global economic activity, dampen consumer demand and limit access to financing. In addition, there can be no assurance that monetary and fiscal policy measures adopted by central banks or national governments will have the intended effect or that a global economic downturn will not occur or market volatility will not persist.

In addition, while financial systems have stabilized following the 2023 banking stresses involving institutions such as Silicon Valley Bank, Credit Suisse and First Republic Bank, the global credit environment remains cautious. This could adversely affect growth rates globally and could materially and adversely affect our business, financial condition and results of operations. The volatile global market conditions may adversely affect the demand for our products. The potential decrease and slowdown in demand for such products may inflict significant downward pressure on prices, and we could have reduced revenue, lower profit margins and/or loss of market share, any of which could have a material adverse effect on our business, reputation, financial condition and results of operations.

We are subject to U.S. and certain foreign export and import controls, sanctions, embargoes, anti-corruption laws and anti-money laundering laws and regulations. In the event of noncompliance, we may face serious consequences, which can harm our business, results of operations and reputation.

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control, the Foreign Corrupt Practices Act, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, the USA PATRIOT Act, and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct activities. Such laws and regulations may change from time to time, causing additional costs and efforts for us to comply with the evolving legal regime. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors and other collaborators from authorizing, promising, offering or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors and other collaborators, even if we do not explicitly authorize or have actual knowledge of such activities. While we have implemented policies, internal controls and other measures reasonably designed to promote compliance with applicable sanctions, trade control, anti-corruption and anti-money laundering laws and regulations, and certain safeguards designed to ensure compliance with relevant laws and regulations, our employees or agents may in the future engage in improper conduct for which we could be held responsible. If we, or our employees or agents acting on our behalf, are found to

have engaged in practices that violate these laws and regulations, we could suffer severe fines and penalties, profit disgorgement, injunctions on future conduct, litigation, bans on transacting government business and other consequences that may have a material adverse effect on our business, financial condition and results of operations. In addition, our reputation, our sales activities or our stock price could be adversely affected if we become the subject of any negative publicity related to actual or potential violations of these laws and regulations.

The evolving regulatory regime relating to U.S. outbound investment may create uncertainty for U.S. investors.

On October 28, 2024, the U.S. Department of the Treasury (the "Treasury") issued the Provisions Pertaining to U.S. Investments in Certain National Security Technologies and Products in Countries of Concern (the "Outbound Investment Rule"). The Outbound Investment Rule, effective on January 2, 2025, is aimed at exerting greater U.S. government oversight over U.S. direct and indirect investments involving China and introduces new hurdles and uncertainties for cross-border collaborations, investments and funding opportunities of China-based entities. It targets investments involving entities associated with countries of concern, currently China (including Hong Kong and Macau), and imposes investment prohibition or notification requirements on a wide range of investments in entities engaged in activities relating to three sectors: (i) semiconductors and microelectronics, (ii) quantum computing, and (iii) AI systems. Under the Outbound Investment Rule, entities with meaningful ties with a country of concern and engaged in activities relating to the three sectors are defined as covered foreign persons, and with limited exceptions, equity investments by a U.S. person in a covered foreign person (a "covered transaction") are subject to prohibition or notification requirements. Violation of such requirements could result in (i) a civil penalty up to the greater of (a) twice the value of the transaction that is the basis for the violation and (b) the applicable inflation-adjusted maximum under 31 C.F.R. § 850.701; and (ii) in the case of willful violations, a criminal penalty of up to 20 years' imprisonment and a fine of up to US$1 million. Additionally, the Treasury also has authority to order the nullification or force the divestment of any prohibited investment.

Based on our current understanding of the Outbound Investment Rule, the Company does not meet the definition of a covered foreign person, and we do not believe that an investment by a U.S. person, as defined under the Outbound Investment Rule, in the Bonds constitutes a covered transaction under the Outbound Investment Rule. In addition, on December 23, 2025, the Treasury issued new guidance regarding compliance with the Outbound Investment Rule in the form of frequently asked questions (the "Treasury FAQ"), including the scope of "excepted transactions" such as a publicly traded securities exception. A U.S. person's acquisition of a publicly traded security and/or a contingent equity interest that is convertible into, or provides the right to acquire, only a publicly traded security would be an excepted transaction, so long as such investment does not afford the U.S. person rights beyond standard minority shareholder protections. An investment by a U.S. person in the Bonds is expected to qualify as an excepted transaction under the publicly traded securities exception, to the extent that the Bonds are convertible solely into publicly traded equity securities and do not confer rights beyond standard minority shareholder protections. However, the Treasury FAQ provides that any conversion of a contingent equity interest must be analyzed separately. Accordingly, while the initial acquisition of the Bonds is expected to constitute an excepted transaction, investors must make their own determination as to their own obligations under the Outbound Investment Rule at the time of any conversion of the Bonds into Shares.

There remain uncertainties under the Outbound Investment Rule, and we cannot assure you that the Treasury will not take a different view from us and treat the investment in the Bonds by a U.S. person as a covered transaction. Additionally, the uncertainty in the interpretation of the Outbound Investment Rule may reduce U.S. investors' interest in our equity securities. In such a case, the trading price of our Shares may be adversely affected, and the value of the Bonds may decline. It could also be detrimental to our capital raising capacity and our business, financial condition and results of operations.

In addition, the U.S. outbound investment regulatory regime continues to evolve, and future legislative, regulatory or policy developments may further expand or modify the scope of restrictions or notification requirements applicable to U.S. outbound investments. In February 2025, U.S. President Donald Trump released the America First Investment Policy Memorandum, outlining several initiatives to incentivize investment from U.S. allies and partners while restricting investments involving "foreign adversaries" including China. Among other things, the policy aims to expand the industry sectors covered by the Outbound Investment Rule and supplement outbound restrictions through the imposition of sanctions. The proposed restrictions may further increase uncertainties for cross-border collaboration, investment, and funding opportunities of companies with operations in

China. On December 18, 2025, the U.S. Comprehensive Outbound Investment National Security Act of 2025 (the "COINS Act") became law. Among other things, the COINS Act directs the Secretary of the Treasury to issue regulations restricting U.S. outbound investments in countries of concern involving certain technologies. The COINS Act is subject to a rulemaking process, which is required to be completed by March 2027, and there is substantial uncertainty regarding how the new law will be implemented. The Treasury FAQ provides that, in the meantime, parties should continue to act in full compliance with the Outbound Investment Rule. The effects of the foregoing developments remain uncertain and could have a material adverse effect on our business, financial condition and results of operations.

The global nature of our business exposes us to risks associated with conducting business in multiple jurisdictions.

We serve customers across Asia and other international markets. In 2023, 2024, 2025 and the six months ended June 30, 2026, export sales represented 93.6%, 94.5%, 94.3% and 93.0% of our total sales, respectively. We maintain offices in multiple jurisdictions and work with customers and supply-chain partners globally. Conducting business in this manner requires us to coordinate product development, research and development, sales and administrative activities across multiple locations and to comply with differing legal and regulatory regimes.

Our international business exposes us to risks, including:

- changes in political, economic, legal, regulatory or social conditions in jurisdictions in which we operate or sell our products;
- differing or changing laws, technical standards and regulatory, judicial and administrative practices;
- restrictions on the cross-border movement of products, technology, data, personnel or funds;
- difficulties in enforcing contracts and protecting intellectual property rights in certain jurisdictions;
- increased costs and management complexity associated with recruiting and managing personnel and coordinating geographically dispersed operations; and
- disruptions resulting from war, terrorism, civil unrest, natural disasters, public health crises or other events outside our control.

Political, diplomatic or military developments involving Taiwan and mainland China could disrupt our operations, communications, transportation, employee mobility, customer demand or access to foundry and other manufacturing services. Such developments may also cause customers or suppliers to alter their sourcing, production or investment decisions. Any material disruption affecting a jurisdiction in which we or our business partners operate could materially and adversely affect our ability to develop and supply products and could materially and adversely affect our business, financial condition and results of operations.

Natural disasters, climate-related events, power or water shortages, public health crises and other operational disruptions could interrupt our operations or those of our suppliers and customers.

Our offices, research and development facilities and data centers, and the manufacturing facilities of our foundries, assembly and test providers and other suppliers, may be affected by earthquakes, typhoons, floods, droughts, wildfires, extreme temperatures, tsunamis, fires and other natural disasters. Taiwan and other parts of the Asia-Pacific region in which significant semiconductor operations are located are susceptible to seismic and severe weather events. Climate change may increase the frequency or severity of certain events and may contribute to water shortages, energy constraints and transportation disruption.

Semiconductor manufacturing requires reliable supplies of electricity, water, gases, chemicals and other infrastructure. A power outage, water shortage, equipment failure, labor disruption or other interruption at a critical supplier could reduce yields, suspend production or damage work in process. Because certain products depend on a

specific process, facility or supplier, alternative capacity may not be available in a timely manner or may require lengthy requalification.

Public health crises, epidemics or pandemics may result in employee absences, travel restrictions, quarantines, facility closures and disruption of suppliers, logistics providers or customer operations. Business-continuity and disaster-recovery plans may not prevent or sufficiently mitigate all losses, and insurance coverage may be unavailable, inadequate or subject to significant deductibles and exclusions. Any prolonged disruption could delay product development and shipments, reduce revenue, increase costs and materially and adversely affect our business and results of operations.

Cybersecurity threats, security breaches or failures of our information technology systems or those of our business partners could materially and adversely affect our business.

Our business depends on complex information technology systems and networks used for product design, simulation, verification, source-code management, customer collaboration, supply-chain planning, order fulfillment, financial reporting and other critical functions. We also rely on cloud providers, software vendors, suppliers and other third parties that host, process or have access to our information. These systems contain valuable intellectual property and confidential information belonging to us, our customers, employees and business partners.

Cyberattacks are increasing in frequency and sophistication and may be conducted by criminal groups, competitors, insiders or state-sponsored actors. Threats include ransomware, malware, phishing, social engineering, credential theft, supply-chain attacks, exploitation of hardware or software vulnerabilities and the use of AI to automate or enhance attacks. Employees, contractors or other trusted persons may intentionally or inadvertently circumvent security controls or disclose credentials or confidential information.

We may be unable to prevent, detect or remediate all attacks or vulnerabilities, and an incident may remain undetected for an extended period. A breach or systems failure could result in theft or loss of product designs, source code or customer information; disruption of research and development or other operations; fraudulent payments; regulatory investigations; litigation; remediation and notification costs; and damage to our reputation and customer relationships. Security incidents at a supplier or service provider could have similar effects. Our security measures, insurance and contractual remedies may be insufficient to cover resulting losses, and any material incident could materially and adversely affect our business, financial condition and results of operations.

We depend on key management and highly skilled personnel, and our inability to attract, retain and motivate qualified employees could harm our ability to execute our strategy.

Our success depends on the continued service of our senior management and on our ability to attract, retain and motivate highly skilled engineers, firmware developers, product managers, sales personnel and other employees. A substantial majority of our employees work in research and development, and our products require specialized expertise in areas such as advanced SoC design, wireless communications, AI, multimedia, high-speed interfaces, automotive systems, analog design, software and security.

Competition for qualified personnel is intense in Taiwan and other locations in which we operate. Competitors, customers and other technology companies may seek to recruit our employees and may offer compensation, equity awards, work arrangements or career opportunities that we cannot or choose not to match. Immigration restrictions, demographic trends, geographic constraints and shortages of experienced engineers may further limit the available talent pool.

The loss of key personnel or teams could delay product development, impair customer relationships, weaken our intellectual property and make it more difficult to transfer knowledge to successor employees. Rapid hiring may also strain our systems and culture, and newly hired personnel may require significant time to become productive. If we are unable to retain key personnel, execute effective succession planning or hire and integrate qualified employees, our innovation, operations, competitive position and results of operations could be materially and adversely affected.

Changes in laws, regulations, technical standards and industry requirements, or our failure to comply with them, could increase our costs, delay products or restrict our operations.

Our business and products are subject to numerous laws, regulations, technical standards and industry requirements in Taiwan and other jurisdictions. These include requirements relating to product safety, radio frequency and spectrum use, telecommunications, cybersecurity, privacy and data protection, AI, automotive safety and security, environmental protection, chemical and product content, labor and human rights, competition, anti-corruption, import and export, taxation, responsible sourcing and public disclosure. These requirements are complex, evolve rapidly and may differ or conflict across jurisdictions.

Our ability to sell certain products may depend on compliance with applicable technical standards, interoperability requirements and certification processes for communications, Wi-Fi, Bluetooth, broadband, automotive and other technologies. We also participate in standard-setting activities relating to different generations of technology. If we fail to anticipate or timely respond to changes in applicable standards, if our products do not meet relevant interoperability or certification requirements, or if competing technologies or product architectures become more widely adopted, we may need to redesign or delay products and demand for our products may decline.

Regulators, courts, standards bodies and certification authorities may interpret applicable requirements differently from us, and we may from time to time fail to comply, or be found not to be in compliance, with such requirements. Regulators may also investigate our contracting, competition, licensing, data, security or other business practices, and an adverse outcome could result in fines, restrictions, required changes to our practices or loss of access to a market. New or amended requirements may require significant expenditures, changes to product design or supply-chain processes, additional reporting and controls, or localization of data or operations. Our failure, or the failure of a supplier or customer, to comply with applicable requirements could result in product bans, recalls, shipment delays, litigation, penalties and reputational damage and could materially and adversely affect our business and results of operations.

Environmental, climate, responsible-sourcing and corporate-responsibility requirements may increase our costs and affect our relationships with customers, suppliers and investors.

Customers, investors, regulators and other stakeholders increasingly focus on greenhouse gas emissions, energy and water use, climate resilience, product content, recycling, responsible sourcing, human rights and other corporate-responsibility matters. Customers may adopt procurement standards or contractual requirements that require us and our suppliers to satisfy specified environmental, labor, cybersecurity or governance criteria, provide detailed data or achieve emissions and renewable-energy targets.

Although we outsource most manufacturing, a substantial portion of the environmental impact associated with our products occurs in our supply chain. Foundries, assembly and test providers and materials suppliers may incur significant costs to comply with environmental or climate-related requirements and may pass those costs to us. Restrictions on particular substances, minerals, chemicals or countries of origin may reduce available supply, require supplier changes or product redesigns and increase qualification time and cost.

The methodologies and standards used to measure and report corporate-responsibility performance are evolving and may produce inconsistent or inaccurate results. If we fail, or are perceived to fail, to satisfy legal requirements, customer standards or public commitments, we may lose business, face enforcement action or litigation, incur additional costs or damage our reputation. These developments could materially and adversely affect our supply chain, customer relationships, business and results of operations.

Foreign exchange rate fluctuations could adversely affect our revenue, expenses, cash flows and financial results.

We conduct business in multiple currencies. A substantial portion of our sales is generated outside Taiwan and may be denominated in US dollars or other foreign currencies, while a significant portion of our personnel and other operating expenses is denominated in New Taiwan dollars and other local currencies. Changes in exchange rates may therefore affect the New Taiwan dollar value of our revenue, expenses, assets, liabilities and cash flows

and may make our results more volatile.

We use foreign exchange forward contracts and other hedging instruments to manage certain exposures. Hedging may not be available on acceptable terms, may not cover all exposures and may not fully offset the effect of currency movements because of forecast errors, timing differences, changes in the amount or currency of transactions, counterparty risk or other factors. Hedging transactions may also result in losses or require collateral or cash payments.

Significant appreciation of the New Taiwan dollar against the U.S. dollar or other currencies in which we generate revenue, or adverse movements among currencies in which our revenue and costs are denominated, could reduce our reported revenue, gross margin and earnings. Currency volatility may also affect customer demand and the competitiveness of our products relative to products supplied by competitors with different cost bases. Foreign exchange movements could materially and adversely affect our financial condition and results of operations.

If we fail to effectively manage the scale and complexity of our operations, we may be unable to execute our business strategy or satisfy customer requirements.

Our operations span multiple product lines, a global research and development organization, customized product-development engagements, complex supply-chain relationships and expansion into new applications and markets. Managing this complexity requires us to coordinate product roadmaps, allocate engineering resources, secure manufacturing capacity, maintain quality and security controls and support customers across geographies and product life cycles.

As our business evolves, our management systems, internal controls, information technology, compliance processes and organizational structure may not keep pace with the increasing complexity of our operations. If we fail to manage our operations, personnel, projects and business relationships effectively, we may experience product delays, quality issues, cost overruns, inventory imbalances, control deficiencies, employee attrition or customer dissatisfaction, which could impair our ability to compete, harm our reputation and materially and adversely affect our business, financial condition and results of operations.

Risks Relating to the ROC

Our business prospects, financial condition and results of operations could be adversely affected by political considerations relating to the ROC.

We are incorporated in the ROC. Our principal executive office and certain of the Company's assets are located in Taiwan, and our Shares are listed on the TWSE. Accordingly, our business, results of operations and financial condition, and the market price of the Shares may be affected by changes in ROC governmental policies, laws, taxation, inflation, interest rates, social instability and other political, economic, diplomatic or social developments in or affecting the ROC that are outside our control. Taiwan has a unique international political status. Since 1949, Taiwan and mainland China have been separately governed. The mainland China government asserts sovereignty over all of Taiwan, and does not recognize the legitimacy of the ROC government. The ROC government, however, does not recognize the legitimacy of the mainland China government's claim of sovereignty over Taiwan. Although significant economic and cultural relations have been established in the past decades between Taiwan and mainland China, the mainland China government has indicated that it may use military force to gain control over Taiwan in certain circumstances, such as the declaration of independence by Taiwan. The mainland China government adopted the Anti-Secession Law relating to Taiwan on March 14, 2005.

Relations between Taiwan and mainland China have at times been particularly strained for a number of reasons, including the mainland China government's position on the "One China" policy and tensions concerning arms sales to Taiwan by the U.S. government. Strained relations could result in future military action, economic sanctions or other disruptive activities undertaken by either government. Past tensions between Taiwan and mainland China have from time to time adversely affected the value of securities listed on the TWSE, including the price of the Shares. Relations between Taiwan and mainland China and other factors affecting political or economic conditions in Taiwan could also materially and adversely affect our business, operations and prospects, as well as

the market price and liquidity of our securities. In addition, political conditions in Taiwan can be unstable due to party politics and other factors, which in turn could have a material adverse effect on our business prospects, financial condition and results of operations.

Failure to obtain, maintain or renew approvals from the ROC Department of Investment Review ("DIR") in connection with inbound or outbound investments may materially and adversely affect our financial condition and results of operations.

The DIR, an agency under the administration of the ROC Ministry of Economic Affairs ("MOEA"), has supervisory and regulatory authority for matters relating to, among other things, inbound investments in ROC companies by non-ROC persons and overseas ROC nationals and outbound investments by ROC companies or individuals. Under current ROC law, ROC individuals and companies are required, in certain circumstances, to obtain prior approval from the DIR before making certain investments outside the ROC or to file a report with the DIR within the period of time prescribed by applicable laws and regulations after making such investments. In addition, ROC individuals and companies are required to comply with a separate set of laws and regulations when making any investment in China or engaging in any technical cooperation (such as direct or indirect transfer or license of any patent originating in Taiwan to any PRC person or entity) with PRC person or entity. An application must be made to the DIR if the proposed total investment amount in one entity exceeds certain amount (currently set at US$1 million). Any business item that is on the negative list promulgated by MOEA from time to time shall be restricted from investment by ROC individuals and companies, such as certain foundries that possess advanced semiconductor process technologies. There is no assurance that we will be able to continue to satisfy the requirements for, or otherwise obtain, permits or approvals for current or future projects. We cannot predict if there will be any amendments to the negative list by the MOEA in the future. Failure to obtain, maintain or renew such permits and approvals or any amendments to the negative list may impede or hinder our operations and adversely affect our business prospects, financial condition and results of operations.

The imposition of foreign exchange restrictions may adversely affect foreign investors' ability to acquire securities listed in the ROC, including the Bonds and the Shares or to repatriate dividends or sale proceeds from the Shares.

The ROC Government may impose foreign exchange restrictions in certain emergency situations, including when there are sudden fluctuations in interest rates or exchange rates, when the ROC Government experiences extreme difficulty in stabilizing the balance of payments or when there are substantial disturbances in the financial and capital markets in the ROC. These restrictions may require foreign investors to obtain the ROC Government's approval before acquiring securities listed in the ROC, repatriating dividends from those securities or repatriating proceeds from the sale of those securities. There can be no assurance that these restrictions, if imposed, would not adversely affect, among other things, the secondary market price of the Bonds.

Financial reporting requirements and accounting standards in the ROC differ from those of other countries, which may be material to investors' assessment of our results of operations, financial condition and prospects.

We are subject to financial reporting requirements in the ROC that differ in significant respects from those applicable to companies in certain other countries, including the United States. In addition, the Company's consolidated financial statements are prepared in accordance with Taiwan IFRS and are not intended to present the financial condition, results of operations and cash flows in accordance with accounting principles and practices generally accepted in any country or jurisdiction other than the ROC, including the United States. Taiwan IFRS differs from IFRS in certain significant respects, including because new or amended standards or interpretations applicable under IFRS may not be endorsed by the FSC on the same timetable. See "Summary of Certain Material Differences between Taiwan IFRS and IFRS." In making an investment decision, potential investors should consult their own professional advisors to understand such differences and how they might affect the financial information contained herein.

We publish monthly net sales information as part of our ongoing reporting obligations, and such information is subject to change due to normal quarter-end closing procedures and excludes certain expenses and other information necessary for it to be indicative of actual financial results.

We post monthly net sales on the MOPS as part of our ongoing reporting obligations as an entity listed on the TWSE. Except for the monthly net sales information expressly included under "Summary — Recent Developments," information posted on MOPS is not incorporated by reference into this offering circular and is preliminary and subject to change, including as a result of adjustments made upon completion of our normal quarter-end closing process. In addition, the interim financial statements we publish on the MOPS may be reviewed but unaudited. Actual net sales could differ materially from this preliminary information. Furthermore, this preliminary information does not include non-operating income, operating costs, operating expenses or other expenses or losses and therefore is not indicative of our actual financial results for the relevant months, the current quarter or future periods. Consequently, prospective investors should not place undue reliance on such information.

Potential investors should not place undue reliance on unaudited financial information.

We publish annual, semiannual and/or quarterly consolidated financial information in the ROC to satisfy our continuing disclosure obligations relating to our Shares listed on the TWSE under applicable ROC regulations and TWSE rules. Certain consolidated financial information may not be audited by our independent auditors and should not be relied upon as providing the same quality of information as audited financial information. Such unaudited consolidated financial information is not necessarily indicative of the results that may be expected for the full financial year or any period thereafter. Consequently, potential investors should not treat such financial information as an indication of our expected financial condition or results of operations for the relevant full financial year. Potential investors should exercise caution when using such data to evaluate our financial condition and results of operations.

You may not be able to enforce a judgment of a foreign court in the ROC.

We are a company limited by shares and incorporated under the ROC Company Act. Most of our directors and executive officers named in this offering circular are residents of the ROC and a significant portion of our assets are located in the ROC. As a result, it may be difficult for investors to enforce judgments obtained outside the ROC against us or such persons in the ROC, including those predicated upon the civil liability provisions of the federal securities laws of the United States. It is also not entirely certain that an action for civil liability predicated solely on the United States federal securities laws could be brought directly in the ROC courts.

Risks Relating to Ownership of the Bonds and the Common Shares

There are limitations on the Bondholders' ability to exercise conversion rights.

The Bondholders will not be able to exercise conversion rights during any Closed Period, as defined in "Description of the Bonds." In addition, under the current ROC laws, regulations and policies, a PRC person is not permitted to convert the Bonds or to register as the Company's shareholder unless (i) it is a qualified domestic institutional investor ("QDII"), who will hold less than 10% of the Issuer's issued shares after conversion of the Bonds, or (ii) it otherwise obtains the approval of the MOEA if all the business items are within the positive list promulgated by the ROC government from time to time and it will hold 10% or more (or other threshold required by the regulators) of the Issuer's issued shares after conversion of the Bonds. There are also restrictions on the amount remitted to the ROC for investments by QDIIs, separately and jointly. Accordingly, the qualification criteria for a PRC person to make investment and the investment threshold imposed by the FSC and the TWSE may cause a Bondholder who is a PRC person to be unable to convert the Bonds and hold the Common Shares. Under current ROC laws, "PRC person" means an individual holding a passport issued by the PRC, a resident of any area of the PRC under the effective control or jurisdiction of the PRC (but not including a special administrative region of the PRC such as Hong Kong and Macau, if so excluded by applicable laws of the ROC), any agency or instrumentality of the PRC and any corporation, partnership or other entity organized under the laws of any such area, or in countries outside of Taiwan or mainland China that is directly or indirectly controlled by, or directly or indirectly having more than 30% of its capital owned by, or beneficially owned by any such person, resident, agency, instrumentality, corporation, partnership or entity.

Future sales by the Company or its current shareholders of Common Shares or substantially similar securities, including securities convertible into or exchangeable for Common Shares, may adversely affect the value of your investment.

The market prices of the Bonds and the Common Shares could decline as a result of sales of a large number of the Company's Common Shares or substantially similar securities, including securities convertible into or exchangeable for the Common Shares, after this offering, or the perception that such sales could occur. In connection with the Offering, the Company has agreed that subject to certain exceptions, for a period beginning from the date of the purchase agreement, dated August 31, 2026, entered into between the Company and the Initial Purchaser and ending 90 days following the Closing Date, the Company will not, without the Initial Purchaser's prior written consent, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of any Bonds or Common Shares or any securities convertible into or exchangeable for Bonds or Common Shares. Nevertheless, the Initial Purchaser may lift or waive all or some of these restrictions in its sole discretion, and, when the applicable restricted period expires, the Company will be able to sell or otherwise dispose of Common Shares, subject to legal restrictions. In addition, we cannot assure you that the Company's shareholders will not sell or otherwise dispose of Common Shares. If the Company's shareholders sell a large number of Common Shares after this Offering, the market prices of the Bonds and the Common Shares could be depressed, and the value of your investment could decrease substantially. The market prices of the Common Shares and the Bonds could also decline if substantial amounts of Common Shares or securities convertible into or exchangeable for Common Shares are sold after the closing of this offering, or if there is a perception that such sales could occur.

A liquid market for the Bonds may not develop, and the market for the Common Shares may not be liquid.

Prior to this Offering, there has been no market for the Bonds. While approval in-principle has been received for the listing of the Bonds on the SGX-ST, an active trading market for the Bonds may not develop.

The Bonds and the Common Shares to be issued upon conversion of the Bonds have not been and will not be registered under the Securities Act or the securities laws of any state of the United States and may be offered, sold, pledged or otherwise transferred only pursuant to an exemption from, or in a transaction not subject to, applicable registration requirements. The Bonds may not be publicly offered or sold, directly or indirectly, in the ROC. Furthermore, there has been no trading market for the Common Shares outside the ROC, and the only trading market for the Common Shares is the TWSE.

In addition, NVIDIA agreed to subscribe for, and the Initial Purchaser allocated to NVIDIA, US$3,500,000,000 in aggregate principal amount of the Bonds offered in this Offering, at the same offering price and on the same terms applicable to the other Bonds being offered. While NVIDIA may subsequently resell such Bonds, the substantial amount of Bonds allocated to NVIDIA could have the effect of reducing the overall liquidity of the Bonds in the secondary market.

Holders of the Bonds will bear the risk of fluctuations in the price of the Common Shares.

The market price of the Bonds at any time will be affected by fluctuations in the price of the Common Shares. It is impossible to predict how the price of the Common Shares will change. Trading prices of the Common Shares will be influenced by, among other things, our results of operations and political, economic, financial and other factors that affect capital markets generally. Any decline in the price of the Common Shares would adversely affect the market price of the Bonds.

Fluctuations in the exchange rate between the NT dollar and the US dollar may have a material adverse effect on the value of the Bonds in US dollar terms.

Although the principal amount of the Bonds is denominated in US dollars, the Common Shares are listed on the TWSE, which quotes and trades the Common Shares in NT dollars. As a result, fluctuations in the exchange rate between the NT dollar and the US dollar will affect, among other things, the market price of the Bonds and the US dollar equivalent of the Common Shares received upon conversion of the Bonds.

Furthermore, the Bonds are currency-linked debt instruments. Bondholders are required to pay the subscription money for the Bonds in US dollars, while all amounts due from the Company under the Bonds will be settled in US dollars, translated into NT dollars at the Fixed Exchange Rate and then translated back into US dollars at the Prevailing Rate. Accordingly, the US dollar return on the Bonds, or yield to maturity, will depend on the principal amount converted into US dollars at the prevailing exchange rate at the time of payment. Volatility in the exchange rate between the NT dollar and the US dollar during the term of the Bonds will affect the return on the Bonds, or yield to maturity, in US dollars. In particular, any devaluation of the NT dollar against the US dollars during the term of the Bonds will decrease the US dollar return on the Bonds and result in the yield to maturity of the Bonds in US dollars being less than the stated yield to maturity of the Bonds. In the event of a material devaluation of the NT dollar against the US dollar, Bondholders may not receive the full US dollar subscription amount upon redemption of the Bonds.

Holders of the Bonds will have no rights as shareholders until they acquire the Common Shares upon conversion of the Bonds.

Unless and until holders of the Bonds acquire Common Shares upon conversion of the Bonds, they will have no rights as shareholders, including voting rights or rights to receive dividends or other distributions with respect to the Common Shares. Subject to the Indenture and applicable ROC laws, holders of the Bonds who acquire Common Shares upon exercise of their conversion rights will be entitled to exercise shareholder rights only with respect to actions for which the applicable record date occurs after the Conversion Date.

Non-ROC holders of the Bonds will be required to register with the TWSE and appoint a local agent and custodian in the ROC if they convert the Bonds and become shareholders.

Under current ROC laws, an overseas Chinese or foreign individual or entity that has not registered with the TWSE will be required, before exercising conversion rights, to register with the TWSE and appoint a local agent to, among other things, open a securities trading account with a local securities brokerage firm to hold or trade the Common Shares, open an NT dollar bank account, remit funds, pay ROC taxes, exercise shareholders' rights and perform such other matters as the converting holder may designate. In addition, under current ROC laws, a non-ROC person is required to appoint a local bank or securities firm approved by the FSC to act as custodian for trade confirmation and settlement, safekeeping of securities and cash proceeds, and required reporting and declarations. Without satisfying these requirements, a non-ROC person may be unable to hold, sell or otherwise transfer the Company's Common Shares on the TWSE.

In addition, except for a foreign institutional investor with a fixed place of business or business agent in the ROC, a non-ROC person that converts the Bonds or registers as a shareholder of the Company is required under current ROC laws and regulations to appoint an agent in the ROC (i.e., a tax guarantor) to file tax returns and pay taxes on its behalf. Such tax agent will be required to meet the qualifications set by the MOF and will act as the guarantor of the Bondholder's tax payment obligation. Documents evidencing the appointment must be submitted to the competent tax authority for approval. We cannot assure that such non-ROC person will be able to appoint and obtain approval for a tax guarantor in a timely manner, if at all.

Pursuant to and subject to the restrictions set forth in the ROC Regulations, only QDIIs registered with the TWSE and PRC persons who obtained approval from the DIR are permitted to convert the Bonds and hold our Common Shares, and similar to other non-ROC persons, in order to hold our Common Shares, such QDIIs are required to appoint an agent, custodian bank and tax guarantor under the ROC Regulations. The QDIIs may not exceed the PRC ownership limits promulgated by the relevant competent authorities of the ROC.

The ROC income tax treatment of gains from sales of the Bonds or the Common Shares delivered upon conversion may change.

As used in this section, a "Non-ROC Resident Individual" is a foreign national who owns the Bonds or the Common Shares and is not physically present in the ROC for 183 days or more during any calendar year, and a "Non-ROC Resident Entity" is a corporation or non-corporate body that owns the Bonds or the Common Shares, is organized under the laws of a jurisdiction other than the ROC and has no fixed place of business or business agent in the ROC. Non-ROC Resident Individuals and Non-ROC Resident Entities are referred to collectively as "Non-ROC

Holders."

Capital gains realized from the sale or disposal of the Company's Common Shares are currently exempt from ROC income tax under Article 4-1 of the ROC Income Tax Act. Capital gains realized from the sale or disposal of the Bonds are also currently exempt from ROC income tax. There can be no assurance that either exemption will continue.

U.S. Holders may be required to recognize taxable income as a result of certain adjustments, or a failure to make certain adjustments, to the Conversion Price even though they do not receive any corresponding cash.

The Conversion Price is subject to adjustment in certain circumstances. An adjustment to the Conversion Price, or in certain cases a failure to make an adjustment, may be treated as a constructive distribution to a U.S. Holder for U.S. federal income tax purposes. A U.S. Holder may therefore be required to include an amount in taxable income without receiving any corresponding cash with which to pay the resulting tax. See "Taxation — United States Federal Income Tax Considerations — Bonds — Constructive Dividends."

A holder of the Bonds or its designee requesting conversion of the Bonds may be required to provide certain information to the Company or the Conversion Agent, and failure to provide such information may delay conversion.

A holder of the Bonds or its designee requesting conversion of the Bonds may be required to provide certain information to the Company or the Conversion Agent, including the name and nationality of the person to be registered as the shareholder, the number of Common Shares that the person is acquiring and has previously acquired as a result of converting Bonds held by it, the Conversion Date and such other information as may be reasonably required, before the conversion is effected. Under applicable ROC laws, the Company is required to report to the FSC if the person to be registered as a shareholder (i) is a "related party" of the Company as defined in the Regulations Governing the Preparation of Financial Reports by Securities Issuers or (ii) will hold, immediately following the conversion, more than 10% of the total number of Common Shares deliverable upon conversion of the aggregate principal amount of all Bonds at the time of issuance based on the initial Conversion Price. Failure to provide such information may delay or prevent conversion of the Bonds.

The value of the Common Shares and the Bonds may be adversely affected by the volatility of the ROC securities market.

The ROC securities market is smaller and more volatile than the securities markets in the United States and certain European countries. The TWSE has experienced substantial price fluctuations and particular volatility following certain political events, market events and scandals. There are also limits on the range of daily price movements on the TWSE. From time to time, ROC regulatory agencies have intervened in the ROC stock market during periods of extreme volatility. In 2025, the TWSE Index closed at a low of 17,391.76 on April 9 and a high of 28,963.60 on December 31. For the six months ended June 30, 2026, the TWSE Index closed at a low of 29,349.81 on January 2 and a high of 47,741.51 on June 22. See "Appendix A — The Securities Market of the ROC." The TWSE has experienced problems such as market manipulation, insider trading and payment defaults. The recurrence of these or similar problems could adversely affect the market price and liquidity of the securities of ROC companies, including the Bonds and the Common Shares, in both domestic and international markets.

In response to major past declines and volatility in the securities markets in the ROC, and in line with similar activities by other countries in Asia, the ROC Government formed the National Stabilization Fund in 2000, which has purchased and may from time to time purchase shares listed on the TWSE to support these securities markets in the ROC. In addition, other funds associated with the ROC Government have purchased and may from time to time purchase shares listed on the TWSE or other securities markets in the ROC. In the future, the actual or perceived commencement, continuation or cessation of such market activity by government entities may cause fluctuations in the market price and liquidity of the Common Shares.

The Company's public shareholders may have greater difficulty protecting their interests than shareholders of corporations in other jurisdictions.

The Company's corporate affairs are governed principally by its Articles of Incorporation and the ROC Company Act. The rights of its shareholders to bring suits against its management, controlling shareholders or board of directors under ROC laws are more limited than those of shareholders of corporations in some other jurisdictions. Therefore, the Company's public shareholders may have greater difficulty protecting their interests in connection with actions taken by its management, members of its board of directors or controlling shareholders than shareholders of corporations in other jurisdictions.

The Bonds will be effectively subordinated to the Company's secured obligations to the extent of the value of the assets securing those obligations.

The Bonds will be effectively subordinated to any of the Company's secured obligations with respect to the assets securing those obligations. The terms of the Bonds do not prevent the Company from incurring additional debt in the future, and the Company is generally permitted to secure such indebtedness, although the Company's existing financial covenants may restrict future borrowings. If the Company incurs additional indebtedness, its ability to make payments on the Bonds and, if required, redeem the Bonds may be adversely affected.

The Company may not have sufficient cash to redeem the Bonds if Bondholders exercise early redemption rights following a change of control, delisting or trading suspension for 30 or more consecutive Trading Days.

The Company may be required by Bondholders to redeem all of their Bonds for cash following a transaction or event constituting a change of control, delisting or trading suspension for 30 or more consecutive Trading Days, as described under "Description of the Bonds." The Company may not have sufficient funds or other financial resources to make the required cash redemption at that time or may be unable to arrange necessary financing on acceptable terms. In addition, the Company's ability to redeem the Bonds for cash may be limited by law, the terms of other agreements relating to the Company's senior debt, and indebtedness and agreements that the Company may enter into in the future that replace, supplement or amend its existing or future indebtedness. If Bondholders exercise redemption rights following a change of control, delisting or such trading suspension at a time when the Company is prohibited from redeeming the Bonds, the Company could seek the consent of lenders to redeem the Bonds or attempt to refinance the borrowings containing the prohibition. If the Company is unable to obtain consent or refinance those borrowings, it could remain prohibited from redeeming the Bonds. The Company's failure to redeem the Bonds would constitute an event of default, which might constitute a default under the terms of its other indebtedness at that time.

The Company may redeem the Bonds before maturity if it has become or will become obligated to pay additional amounts as a result of certain changes in applicable tax law.

The Company may redeem the Bonds before maturity if it has become or will become obligated to pay additional amounts as a result of any change in, or amendment to, the laws or regulations of any political subdivision or taxing authority thereof or therein, or any change in the general application or official interpretation of such laws or regulations. In such an event, each Bondholder will have the right to elect that its Bonds not be redeemed. In that case, subject to "Description of the Bonds — Redemption of the Bonds — Redemption for Taxation Reasons," no additional amounts will be payable on the electing Bondholder's Bonds after the relevant tax redemption date, and all payments will be subject to any required tax withholding or deduction. See "Description of the Bonds — Redemption of the Bonds — Redemption for Taxation Reasons."

Bondholders have limited anti-dilution protection.

The conversion price of the Bonds will be adjusted upon a free distribution, bonus issue, division, consolidation or reclassification, declaration of dividends, rights issue, warrant issue, capital distribution or other adjustment, but only in the circumstances and to the extent provided in "Description of the Bonds — Conversion — Adjustments to the Conversion Price." The terms of the Bonds do not require an adjustment for every corporate or other event that may affect the value of the Common Shares. Events for which no adjustment is made may adversely affect the value of the Common Shares and, therefore, the value of the Bonds.

The Trustee may require Bondholders to provide indemnity, security and/or prefunding to its satisfaction.

In certain circumstances, the Trustee may, in its sole discretion, require the Bondholders to provide indemnity, security and/or prefunding to its satisfaction before it takes any steps or actions or institutes proceedings on behalf of the Bondholders. The Trustee will not be obligated to take any such steps or actions or institute proceedings unless it is indemnified, secured and/or prefunded to its satisfaction. Negotiating and agreeing to any indemnity, security and/or prefunding can be a lengthy process and may affect when such steps or actions can be taken or such proceedings instituted. Notwithstanding the provision of indemnity, security or prefunding, the Trustee may not be able to take such steps or actions or institute proceedings if doing so would breach the terms of the Indenture governing the Bonds or if there is uncertainty or a dispute as to applicable laws or regulations. To the extent permitted by the Indenture and applicable law, the Bondholders may need to take such actions directly.

USE OF PROCEEDS

The gross proceeds to be received by the Company from the Offering are estimated to be US$3,900 million. The Company plans to use the net proceeds of the Offering for procurement of raw materials in foreign currencies.

DIVIDENDS AND DIVIDEND POLICY

Dividend Policy

Pursuant to our Articles of Incorporation and applicable ROC laws and regulations, we may distribute profits or make up losses on a half-yearly basis after the close of each half fiscal year. Except as otherwise permitted under the ROC Company Act, including distributions of cash dividends from legal reserve or capital reserve, we are generally not permitted to distribute dividends or make other distributions to shareholders unless we have distributable profits. Before we can distribute profits, we must estimate and reserve for taxes payable, offset our losses in accordance with applicable laws and regulations, and set aside 10% of the remaining profits as legal reserve, unless our accumulated legal reserve has reached the amount of our paid-in capital. In addition, we must set aside or reverse a special reserve in accordance with relevant laws or regulations or as requested by the competent authorities. For any distribution of profits for the first half of a fiscal year, we must also estimate and reserve employee compensation and remuneration to directors in accordance with applicable laws and regulations and our Articles of Incorporation.

Since we are in an industry in a growth phase, our dividend policy takes into consideration factors such as our current and future investment environment, capital requirements, domestic and overseas competition and capital budgeting plans, with a view to striking a balance between shareholders' interests and our long-term financial plans. After considering financial, business and operational factors, we may distribute up to all of our distributable profits. Dividends to shareholders may be paid in cash or in shares, provided that cash dividends shall not be less than 10% of total dividends to shareholders.

Subject to our Articles of Incorporation and applicable ROC laws and regulations, our dividend policy may be adjusted from time to time in accordance with economic and market conditions and, in particular, our future development and profitability.

Recent Historical Dividends

Following an amendment to our Articles of Incorporation approved at our 2023 annual general meeting of shareholders, our board of directors is authorized to resolve the distribution of cash dividends on a semiannual basis after the end of each half of a fiscal year, with each such distribution to be reported at a shareholders' meeting. Accordingly, beginning with the first half of the 2023 fiscal year, our cash dividends have been resolved by our board of directors on a semiannual basis.

In respect of the 2025 fiscal year, on October 31, 2025, our board of directors resolved to distribute a cash dividend of NT$29.00 per Share in an aggregate amount of NT$46,513.4 million for the first half of 2025. This dividend was paid on January 30, 2026. On February 26, 2026, our board of directors resolved to distribute a cash dividend of NT$24.50 per Share in an aggregate amount of NT$39,295.7 million for the second half of 2025. This dividend was paid on July 31, 2026.

In respect of the 2024 fiscal year, on October 30, 2024, our board of directors resolved to distribute a cash dividend of NT$29.00 per Share in an aggregate amount of NT$46,449.0 million for the first half of 2024. This dividend was paid on January 24, 2025. On February 27, 2025, our board of directors resolved to distribute a cash dividend of NT$25.00 per Share in an aggregate amount of NT$40,041.6 million for the second half of 2024. This dividend was paid on July 31, 2025.

In respect of the 2023 fiscal year, on October 27, 2023, our board of directors resolved to distribute a cash dividend of NT$24.60 per Share in an aggregate amount of NT$39,350.9 million for the first half of 2023. This dividend was paid on January 31, 2024. On February 23, 2024, our board of directors resolved to distribute a cash dividend of NT$30.40 per Share in an aggregate amount of NT$48,628.6 million for the second half of 2023. This dividend was paid on July 31, 2024.

Prior to the implementation of our semiannual cash dividend framework, on February 24, 2023, our board of directors resolved, in respect of the 2022 fiscal year, to distribute (i) a cash dividend from earnings of NT$62.00

per Share in an aggregate amount of NT$99,178.4 million and (ii) an additional cash distribution from additional paid-in capital of NT$14.00 per Share in an aggregate amount of NT$22,395.1 million. Following the final per-Share adjustment, the total cash distribution was NT$76.00 per Share and was paid on July 20, 2023.

Our historical dividend payments are not, and should not be taken as, an indication of our potential future practice with respect to dividend payments.

MARKET PRICE INFORMATION

Our Shares have been listed on the TWSE since July 23, 2001 under the trading code "2454."

On August 31, 2026, the reported closing price of our Shares was NT$3,925.00 per Share, and the TWSE Index closed at 46,128.47. The trading price and the daily closing price of the Shares are available on the TWSE's website (https://www.twse.com.tw). For the avoidance of doubt, none of the information contained on the TWSE website and MOPS is incorporated by reference into this offering circular, nor should any of such information be considered part of this offering circular.

The TWSE has experienced substantial fluctuations in the prices of listed securities and there are currently limits on the range of daily price movements. See "Appendix A — The Securities Market of the ROC."

CAPITALIZATION

The following table sets forth under Taiwan IFRS (i) our consolidated capitalization as of June 30, 2026 on an actual basis, and (ii) our consolidated capitalization as of June 30, 2026, as adjusted for the issuance of the Bonds. The following table should be read in conjunction with our financial statements and the notes thereto included elsewhere herein. The amounts in US dollars are provided solely for the convenience of the reader.

The as adjusted basis gives effect to the issuance of the Bonds before deducting underwriting discount and concession and other offering expenses.

	As of June 30, 2026			
	Actual		As Adjusted for the Bond Offering[2]	
	NT$	US$[1]	NT$	US$[1]
	(in thousands)			
Short-term borrowings	17,100,000	536,892	17,100,000	536,892
Bonds payable	-	-	123,407,700	3,874,653
Long-term borrowings	120,000	3,768	120,000	3,768
Equity				
Share capital	16,038,954	503,578	16,038,954	503,578
Capital surplus	35,193,395	1,104,973	35,193,395	1,104,973
Retained earnings	329,762,727	10,353,618	329,762,727	10,353,618
Other equity	43,251,130	1,357,963	43,251,130	1,357,963
Treasury shares	(55,970)	(1,757)	(55,970)	(1,757)
Non-controlling interests	8,451,464	265,352	8,451,464	265,352
Total equity	432,641,700	13,583,727	432,641,700	13,583,727
Total capitalization[3]	449,861,700	14,124,387	573,269,400	17,999,040

Note:

(1) Translation of amounts from NT dollars into US dollars has been made at the rate prevailing on June 30, 2026 of NT$31.85 = US$1.00.

(2) Reflecting the issuance of the Bonds of US$3,900,000,000. The translation of amounts of the Bonds from US dollars into NT dollars has been made at the rate on August 31, 2026 of NT$31.643 = US$1.00. The bifurcation of the equity component and derivatives embedded in the Bonds is not taken into consideration for this as adjusted basis.

(3) Total capitalization comprises short-term borrowings, bonds payable, long-term borrowings and total equity.

SELECTED FINANCIAL DATA

The following summary financial information has been derived from our audited consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 and unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 included elsewhere in this offering circular, which have been prepared in accordance with the Taiwan IFRS and with "Regulations Governing the Preparation of Financial Reports by Securities Issuers" and International Accounting Standard 34, "Interim Financial Reporting," as endorsed by the FSC. You should read the following selected financial information together with our financial statements included elsewhere in this offering circular. Neither these data nor the format in which they are presented should be viewed as comparable to information prepared in accordance with IFRS or generally accepted accounting principles elsewhere. See "Summary of Certain Material Differences between Taiwan IFRS and IFRS."

Consolidated financial information

Consolidated Statements of Comprehensive Income Data

	Year ended December 31,				Six months ended June 30,		
	2023	2024	2025		2025	2026	
	NT$	NT$	NT$	US$[1]	NT$	NT$	US$[1]
	(in thousands, except for earnings per share information)						
Net sales	433,446,330	530,585,886	595,965,682	18,711,638	303,680,808	301,333,121	9,461,009
Operating costs	(226,079,292)	(267,200,185)	(312,885,741)	(9,823,728)	(155,993,666)	(161,970,152)	(5,085,404)
Gross profit	207,367,038	263,385,701	283,079,941	8,887,910	147,687,142	139,362,969	4,375,605
Operating expenses							
Selling expenses	(14,423,677)	(17,089,713)	(20,447,681)	(641,998)	(9,920,539)	(9,696,959)	(304,457)
Administrative expenses	(9,703,256)	(11,946,997)	(10,856,762)	(340,872)	(5,616,046)	(6,198,869)	(194,627)
Research and development expenses	(111,384,930)	(131,993,135)	(148,306,389)	(4,656,402)	(72,705,294)	(77,705,854)	(2,439,744)
Expected credit impairment gains (losses)	(55,669)	56,111	586	18	(12,999)	(2,661)	(84)
Total operating expenses	(135,567,532)	(160,973,734)	(179,610,246)	(5,639,254)	(88,254,878)	(93,604,343)	(2,938,912)
Operating income	71,799,506	102,411,967	103,469,695	3,248,656	59,432,264	45,758,626	1,436,692
Non-operating income and expenses							
Interest income	7,307,831	11,149,734	10,819,306	339,696	5,524,232	4,958,682	155,689
Other income	6,700,758	3,934,113	5,944,689	186,646	2,754,841	2,766,596	86,863
Other gains and losses	1,095,336	1,959,681	4,521,114	141,950	148,372	1,054,617	33,112
Finance costs	(399,373)	(453,291)	(652,032)	(20,472)	(321,139)	(187,012)	(5,872)
Share of profit of associates and joint ventures accounted for using the equity method.	278,384	516,576	785,029	24,648	242,196	629,570	19,767
Total non-operating income and expenses	14,982,936	17,106,813	21,418,106	672,468	8,348,502	9,222,453	289,559
Net income before tax	86,782,442	119,518,780	124,887,801	3,921,124	67,780,766	54,981,079	1,726,251
Income tax expense	(9,591,498)	(12,378,157)	(18,770,226)	(589,332)	(10,187,408)	(5,999,642)	(188,372)
Net income	77,190,944	107,140,623	106,117,575	3,331,792	57,593,358	48,981,437	1,537,879
Other comprehensive income, net of tax	6,782,875	15,195,645	(17,769,492)	(557,912)	(39,037,354)	12,902,151	405,091
Total comprehensive income	83,973,819	122,336,268	88,348,083	2,773,880	18,556,004	61,883,588	1,942,970
Net income for the periods attributable to:							
Owners of the parent	76,978,637	106,386,578	105,319,255	3,306,727	57,173,177	48,488,714	1,522,409
Non-controlling interests	212,307	754,045	798,320	25,065	420,181	492,723	15,470
	77,190,944	107,140,623	106,117,575	3,331,792	57,593,358	48,981,437	1,537,879
Total comprehensive income for the periods attributable to:							
Owners of the parent	83,781,837	121,555,605	87,554,841	2,748,975	18,216,895	61,348,301	1,926,163
Non-controlling interests	191,982	780,663	793,242	24,905	339,109	535,287	16,807
	83,973,819	122,336,268	88,348,083	2,773,880	18,556,004	61,883,588	1,942,970
Earnings per share							
Basic earnings per share (in dollars)	48.51	66.92	66.16	2.08	35.92	30.44	0.96
Diluted earnings per share (in dollars)	48.34	66.78	66.03	2.07	35.87	30.38	0.95

Consolidated Balance Sheet Data

	As of December 31,				As of June 30,		
	2023	2024	2025		2025	2026	
	NT$	NT$	NT$	US$[1]	NT$	NT$	US$[1]
				(in thousands)			
Total current assets	290,888,768	351,025,462	397,456,191	12,479,001	349,132,017	397,005,577	12,464,853
Total non-current assets	344,149,726	346,842,068	346,328,614	10,873,740	320,082,384	390,442,795	12,258,801
Total assets	**635,038,494**	**697,867,530**	**743,784,805**	**23,352,741**	**669,214,401**	**787,448,372**	**24,723,654**
Total current liabilities	231,999,004	266,902,326	303,349,808	9,524,327	258,215,059	320,318,775	10,057,104
Total non-current liabilities	28,834,132	25,909,857	31,239,976	980,847	26,471,670	34,487,897	1,082,823
Total equity	374,205,358	405,055,347	409,195,021	12,847,567	384,527,672	432,641,700	13,583,727
Total liabilities and equity	**635,038,494**	**697,867,530**	**743,784,805**	**23,352,741**	**669,214,401**	**787,448,372**	**24,723,654**

Consolidated Statements of Cash Flow Data

	Year ended December 31,				Six months ended June 30,		
	2023	2024	2025		2025	2026	
	NT$	NT$	NT$	US$[1]	NT$	NT$	US$[1]
				(in thousands)			
Net cash generated from (used in) operating activities	166,091,322	156,054,607	162,792,872	5,111,236	59,091,662	6,593,980	207,032
Net cash generated from (used in) investing activities	(28,745,701)	(35,927,693)	(37,753,968)	(1,185,368)	(17,745,219)	(23,680,906)	(743,514)
Net cash generated from (used in) financing activities	(118,569,139)	(90,119,376)	(87,674,751)	(2,752,739)	(42,076,029)	(31,150,056)	(978,024)
Net increase (decrease) in cash and cash equivalents	17,893,855	38,299,882	31,594,190	991,968	(18,347,336)	(46,289,422)	(1,453,357)

Other Financial Data

	Year ended December 31,			Six months ended June 30,	
	2023	2024	2025	2025	2026
Gross margin[2]	47.8%	49.6%	47.5%	48.6%	46.2%
Operating margin[3]	16.6%	19.3%	17.4%	19.6%	15.2%
Net margin[4]	17.8%	20.2%	17.8%	19.0%	16.3%

(1) Translation of amounts from NT dollars into US dollars has been made at the rate prevailing on June 30, 2026 of NT$31.85 = US$1.00. The exchange rate is not derived from the audited or unaudited financial statements.
(2) Gross margin is calculated by dividing gross profit by net sales, multiplied by 100%.
(3) Operating margin is calculated by dividing operating income by net sales, multiplied by 100%.
(4) Net margin is calculated by dividing net income by net sales, multiplied by 100%.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Our audited consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 and unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 have been prepared in accordance with Taiwan IFRS and the Regulations Governing the Preparation of Financial Reports by Securities Issuers as endorsed by the FSC. Taiwan IFRS and IFRS differ in certain significant respects. See "Summary of Certain Material Differences Between Taiwan IFRS and IFRS." We have not quantified or identified the impact of differences between Taiwan IFRS and IFRS. The following discussion should be read in conjunction with the consolidated financial statements and notes thereto, which appear elsewhere in this offering circular. Unless otherwise stated, all financial information below as of and for the years ended December 31, 2023, 2024 and 2025 and the six months ended June 30, 2025 and 2026 is presented on a consolidated basis. The following discussion contains forward-looking statements that reflect our current views with respect to future events and financial performance. Our actual results may differ materially from those anticipated in the forward-looking statements as a result of any number of factors, such as those set forth under "Risk Factors" and elsewhere in this offering circular. See "Special Note Regarding Forward-Looking Statements."

Overview

We are a leading fabless semiconductor company offering cutting-edge IC products, commonly referred to as chips, including SoC solutions and chipsets, as well as IC design services for smartphones, computing devices, smart homes, IoT applications, automotive applications and AI data centers. Founded in May 1997 and headquartered in Hsinchu Science Park, Taiwan, we listed on the Taiwan Stock Exchange (TWSE: 2454) in July 2001. Over nearly three decades, we have expanded our global operations across Europe, the Americas and Asia and grown into a diversified platform company built on deep expertise in compute and connectivity, capabilities that increasingly converge as AI proliferates from devices to the data center.

Factors Affecting Our Financial Condition and Results of Operations

Our financial condition and results of operations have been affected by a number of important factors that we believe will continue to affect our financial condition and results of operations. Among these factors are the following:

Growth of AI Applications and End-Market Demand

The development and adoption of AI technologies and applications are increasingly important drivers of demand for our products across both edge and cloud applications. For edge applications, increasing adoption of on-device and agentic AI may raise the processing-performance, power-efficiency, connectivity and memory requirements of smartphones and other edge devices, potentially increasing demand for more advanced and higher-value IC products. For cloud applications, continued expansion of AI infrastructure may increase demand for customized data center products, including AI accelerator ASICs, high-speed connectivity and related power-management solutions. Our ability to benefit from these opportunities depends on the development of commercially viable use cases, customer investment and product plans, our ability to obtain design wins and execute customer programs, and the availability of required supply-chain capacity.

Demand for our products also depends on demand for the electronic devices and systems in which they are incorporated. The smartphone market remains an important driver of our results. End-market demand for our smartphone IC products is influenced by global smartphone shipments, customer product launches, product replacement cycles and smartphone pricing, including the effects of smartphone bill-of-materials costs. In the six months ended June 30, 2026, higher memory and other smartphone bill-of-materials costs weighed on smartphone demand, which in turn reduced demand for our smartphone IC products. The resulting effect on our net sales was substantially offset by stronger sales of our Smart Edge Platforms products, primarily reflecting continued market share gains in connectivity, computing and automotive products. Accordingly, our net sales and results of operations may be materially affected by both the pace of development and adoption of AI applications and changes in demand

across the end markets we serve.

Product Mix and Pricing

Our product mix and pricing are important factors affecting our results of operations. We offer a broad portfolio comprising, among others, flagship and other smartphone SoCs, connectivity, computing, automotive, consumer and power management IC products, and custom ASICs. The margin profiles of these products vary depending on their functionality, manufacturing requirements, product maturity and scale. As a result, changes in their relative contribution to our net sales may cause our gross margin to fluctuate from period to period.

We determine our pricing based on manufacturing costs, product performance and functionality, customer order volumes, competitive conditions and the value our products provide to customers. As our products progress through their life cycles, we seek to mitigate price declines through new product introductions, enhanced functionality and cost reductions. In response to recent increases in the costs of wafer fabrication, advanced packaging, IC substrates and other supply-chain inputs, we have taken pricing actions intended primarily to mitigate the resulting cost pressure and maintain our gross margin.

Relationships with Our Major Distributors and Downstream Customers

A limited number of customers, including distributors through which we sell our products, account for a significant portion of our net sales. In 2023, 2024 and 2025, three customers in each year individually accounted for more than 10% of our net sales, and, in the aggregate, they accounted for 33.8%, 39.3% and 38.9% of our net sales, respectively. For the six months ended June 30, 2026, two customers individually accounted for more than 10% of our net sales, and, in the aggregate, they accounted for 20.3% of our net sales. Our major distributors play an important role in our sales operations by facilitating the sale and delivery of our products to a broad base of downstream customers. We collaborate closely with our major distributors and communicate regularly with them regarding downstream demand, sales forecasts, inventory levels, orders and delivery schedules. Such coordination enables us to respond to changes in market demand, manage channel inventories and support efficient order fulfillment.

Demand for our products is ultimately driven by device manufacturers and other downstream customers that evaluate and select our products for incorporation into their devices and systems. We maintain close working relationships with our major downstream customers and engage with them throughout the product development cycle, including during product evaluation, design-in, engineering validation, software integration and preparation for commercial production. By understanding their product roadmaps and technical requirements, we seek to develop suitable solutions, secure design wins and support successful product launches. Such collaboration is particularly important in our custom ASIC business and for other customer-specific products, which are developed in close coordination with customers. Our relationships with major downstream customers and our ability to support their successive product generations are therefore important to demand for our products and our results of operations.

Manufacturing and Supply-Chain Partnerships, Technology Collaboration and Access to Capacity and Other Inputs

We operate under a fabless business model and rely on third parties for wafer fabrication, packaging, assembly and testing. In 2023, 2024 and 2025, and for the six months ended June 30, 2026, our three largest suppliers accounted for 81.5%, 84.9%, 86.5% and 82.5% of our total purchases, respectively. Given the importance of these manufacturing partners to our operations, we have a long history of close collaboration with our major foundries and packaging, assembly and testing service providers. We coordinate regularly with them regarding process technologies, production planning, capacity requirements, yields, quality and delivery schedules. Our collaboration with major foundry partners also encompasses the development of advanced process technologies. We engage in design-technology co-optimization (DTCO) with our foundry partners, through which we coordinate the optimization of our product designs with the relevant manufacturing processes. We believe this collaboration enhances our ability to incorporate leading-edge process technologies into our products and supports their development and transition to commercial production.

Access to advanced packaging and other critical supply-chain inputs is increasingly important to our business. We coordinate with our supply-chain partners in advance regarding packaging solutions and the availability of advanced packaging capacity, substrates and other key components, and have secured relevant capacity to support our anticipated production requirements and planned product ramps. We also coordinate with our suppliers regarding the availability of wafers and other materials and components required for the manufacture and packaging of our products. We believe our long-standing supply partnerships, technology collaboration and advance capacity planning enhance our ability to secure required manufacturing capacity and other critical inputs, particularly during periods of constrained industry supply.

Research and Development Capabilities, Technology Development and Product Innovation

Research and development is central to our strategy and enables us to enhance our established product platforms and develop new products and technologies. Our development priorities include AI accelerator ASICs, data center solutions, high-performance computing processors and next-generation wireless communication technologies for smartphone, computing, IoT and automotive platforms, and power management technologies, as well as key technologies and intellectual property that can be deployed across multiple product platforms. These investments strengthen our overall technology capabilities and support the development and commercialization of new products across our businesses.

Our research and development expenses were NT$111,384.9 million, NT$131,993.1 million and NT$148,306.4 million in 2023, 2024 and 2025, respectively, and NT$77,705.9 million in the six months ended June 30, 2026, representing 25.7%, 24.9%, 24.9% and 25.8% of our net sales in the respective periods. Our research and development planning is guided by industry trends, with an emphasis on developing highly integrated products and supporting cost-effective production. We intend to continue investing significant resources in research and development and believe that our sustained investment and broad technology base enhance our ability to introduce new products, support evolving customer requirements and capture opportunities across our existing and emerging markets.

Certain Components of Results of Operations

Net sales

We generate net sales primarily from the sales of our smartphone chips, connectivity solutions and other integrated circuit design products. The following table sets forth a breakdown of our net sales by geographical region, each expressed as a percentage of our net sales, for the periods indicated:

	Year Ended December 31,							Six months ended June 30,				
	2023		2024		2025			2025		2026		
	NT$	%	NT$	%	NT$	US$	%	NT$	%	NT$	US$	%
	(in thousands, except percentages)											
Taiwan	27,614,086	6.4	29,372,704	5.5	34,217,054	1,074,319	5.7	16,488,022	5.4	21,059,051	661,195	7.0
Asia (excluding Taiwan)	393,288,434	90.7	487,633,087	91.9	547,599,577	17,193,079	91.9	282,265,332	93.0	272,552,845	8,557,389	90.4
Others	12,543,810	2.9	13,580,095	2.6	14,149,051	444,240	2.4	4,927,454	1.6	7,721,225	242,425	2.6
Total	**433,446,330**	**100.0**	**530,585,886**	**100.0**	**595,965,682**	**18,711,638**	**100.0**	**303,680,808**	**100.0**	**301,333,121**	**9,461,009**	**100.0**

The following table sets forth a breakdown of our net sales by source for the periods indicated:

	Year Ended December 31,							Six months ended June 30,				
	2023		2024		2025			2025		2026		
	NT$	%	NT$	%	NT$	US$	%	NT$	%	NT$	US$	%
	(in thousands, except percentages)											
IC Products	424,144,048	97.9	522,257,791	98.4	585,345,737	18,378,202	98.2	299,821,945	98.7	296,482,175	9,308,703	98.4
Other [1]	9,302,282	2.1	8,328,095	1.6	10,619,945	333,436	1.8	3,858,863	1.3	4,850,946	152,306	1.6
Total	**433,446,330**	**100.0**	**530,585,886**	**100.0**	**595,965,682**	**18,711,638**	**100.0**	**303,680,808**	**100.0**	**301,333,121**	**9,461,009**	**100.0**

(1) Including, among others, net sales from technical services and licensing fees.

Operating Costs

Our operating costs primarily relate to the production of our products. They consist principally of (i) wafer fabrication costs, (ii) backend packaging and testing costs, and (iii) inventory write-downs (including reversals of prior write-downs).

Operating Expenses

Our operating expenses consist primarily of selling expenses, administrative expenses, research and development expenses and expected credit impairment gains (losses).

Our selling expenses include (i) license fees and (ii) salaries for our sales and marketing personnel. Our administrative expenses include salaries for our administrative, finance and human resources personnel. Our research and development expenses include (i) costs of materials, tools and equipment used in our research and development activities and (ii) salaries for research and development personnel.

Non-operating Income and Expenses

Our non-operating income and expenses comprise various income and expense items not relating to our principal business activities, comprising:

- interest income;
- other income, including rental income, dividend income and others;
- other gains and losses, primarily consisting of the following: (i) gains (losses) on disposal of property, plant and equipment, (ii) gains (losses) on disposal of investments, (iii) foreign exchange gains (losses), (iv) impairment losses, (v) net gains (losses) on financial instruments at fair value through profit or loss, and (vi) others;
- finance costs, including (i) interest expense on borrowings and (ii) interest expense on lease liabilities; and
- share of profit of associates and joint ventures accounted for using the equity method.

Income Tax Expense

Our income tax expense for a given period primarily comprises current income tax expense and deferred income tax expense or benefit arising in the jurisdictions in which we operate.

Results of Operations

The following table sets forth, for the periods indicated, financial data from our audited annual and unaudited interim consolidated statements of comprehensive income:

	Year ended December 31,				Six months ended June 30,		
	2023	2024	2025		2025	2026	
	NT$	NT$	NT$	US$[1]	NT$	NT$	US$[1]
	(in thousands, except for earnings per share information)						
Net sales	433,446,330	530,585,886	595,965,682	18,711,638	303,680,808	301,333,121	9,461,009
Operating costs	(226,079,292)	(267,200,185)	(312,885,741)	(9,823,728)	(155,993,666)	(161,970,152)	(5,085,404)
Gross profit	207,367,038	263,385,701	283,079,941	8,887,910	147,687,142	139,362,969	4,375,605
Operating expenses							
Selling expenses	(14,423,677)	(17,089,713)	(20,447,681)	(641,998)	(9,920,539)	(9,696,959)	(304,457)

Administrative expenses	(9,703,256)	(11,946,997)	(10,856,762)	(340,872)	(5,616,046)	(6,198,869)	(194,627)
Research and development expenses	(111,384,930)	(131,993,135)	(148,306,389)	(4,656,402)	(72,705,294)	(77,705,854)	(2,439,744)
Expected credit impairment gains (losses)	(55,669)	56,111	586	18	(12,999)	(2,661)	(84)
Total operating expenses	(135,567,532)	(160,973,734)	(179,610,246)	(5,639,254)	(88,254,878)	(93,604,343)	(2,938,912)
Operating income	71,799,506	102,411,967	103,469,695	3,248,656	59,432,264	45,758,626	1,436,692
Non-operating income and expenses							
Interest income	7,307,831	11,149,734	10,819,306	339,696	5,524,232	4,958,682	155,689
Other income	6,700,758	3,934,113	5,944,689	186,646	2,754,841	2,766,596	86,863
Other gains and losses	1,095,336	1,959,681	4,521,114	141,950	148,372	1,054,617	33,112
Finance costs	(399,373)	(453,291)	(652,032)	(20,472)	(321,139)	(187,012)	(5,872)
Share of profit of associates and joint ventures accounted for using the equity method.	278,384	516,576	785,029	24,648	242,196	629,570	19,767
Total non-operating income and expenses	14,982,936	17,106,813	21,418,106	672,468	8,348,502	9,222,453	289,559
Net income before tax	86,782,442	119,518,780	124,887,801	3,921,124	67,780,766	54,981,079	1,726,251
Income tax expense	(9,591,498)	(12,378,157)	(18,770,226)	(589,332)	(10,187,408)	(5,999,642)	(188,372)
Net income	77,190,944	107,140,623	106,117,575	3,331,792	57,593,358	48,981,437	1,537,879
Other comprehensive income, net of tax	6,782,875	15,195,645	(17,769,492)	(557,912)	(39,037,354)	12,902,151	405,091
Total comprehensive income	83,973,819	122,336,268	88,348,083	2,773,880	18,556,004	61,883,588	1,942,970
Net income for the periods attributable to:							
Owners of the parent	76,978,637	106,386,578	105,319,255	3,306,727	57,173,177	48,488,714	1,522,409
Non-controlling interests	212,307	754,045	798,320	25,065	420,181	492,723	15,470
	77,190,944	107,140,623	106,117,575	3,331,792	57,593,358	48,981,437	1,537,879
Total comprehensive income for the periods attributable to:							
Owners of the parent	83,781,837	121,555,605	87,554,841	2,748,975	18,216,895	61,348,301	1,926,163
Non-controlling interests	191,982	780,663	793,242	24,905	339,109	535,287	16,807
	83,973,819	122,336,268	88,348,083	2,773,880	18,556,004	61,883,588	1,942,970
Earnings per share							
Basic earnings per share (in dollars)	48.51	66.92	66.16	2.08	35.92	30.44	0.96
Diluted earnings per share (in dollars)	48.34	66.78	66.03	2.07	35.87	30.38	0.95

(1) Translation of amounts from NT dollars into US dollars has been made at the rate prevailing on June 30, 2026 of NT$31.85 = US$1.00. The exchange rate is not derived from the audited or unaudited financial statements.

Six months ended June 30, 2026 Compared to six months ended June 30, 2025

Net sales. Our net sales remained relatively stable from NT$303,680.8 million in the six months ended June 30, 2025 to NT$301,333.1 million (US$9,461.0 million) in the same period of 2026, as weaker smartphone demand resulting from higher memory prices was largely offset by continued market share gains in our connectivity and automotive products.

Operating Costs. Our operating costs increased by 3.8% from NT$155,993.7 million in the six months ended June 30, 2025 to NT$161,970.2 million (US$5,085.4 million) in the same period of 2026, primarily due to higher costs across our supply chain and a one-time reversal of costs related to securing capacity that was recognized in the second quarter of 2025.

Gross Profit and Gross Margin. As a result of the foregoing, our gross profit decreased by 5.6% from NT$147,687.1 million in the six months ended June 30, 2025 to NT$139,363.0 million (US$4,375.6 million) in the same period of 2026, and our gross margin decreased from 48.6% to 46.2% in the same period due to rising costs across our supply chain and a one-time reversal of costs related to securing capacity that was recognized in the second quarter of 2025.

Operating Expenses. Our operating expenses increased by 6.1% from NT$88,254.9 million in the six months ended June 30, 2025 to NT$93,604.3 million (US$2,938.9 million) in the same period of 2026, mainly due to (i) an increase in research and development expenses, which resulted primarily from increased investment in engineering resources as well as higher personnel costs incurred to attract and retain engineering talent; and (ii) an increase in administrative expenses, primarily attributable to higher professional service fees; partially offset by a

decrease in selling expenses, primarily due to lower marketing and promotional expenses.

Operating Income and Operating Margin. As a result of the foregoing, our operating income decreased by 23.0% from NT$59,432.3 million in the six months ended June 30, 2025 to NT$45,758.6 million (US$1,436.7 million) in the same period of 2026, and our operating margin decreased from 19.6% to 15.2%.

Non-Operating Income and Expenses. Our net non-operating income increased by 10.5% from NT$8,348.5 million in the six months ended June 30, 2025 to NT$9,222.5 million (US$289.6 million) in the same period of 2026. This change was primarily attributable to (i) an increase in other gains and losses from NT$148.4 million in the six months ended June 30, 2025 to NT$1,054.6 million (US$33.1 million) in the same period of 2026, which reflected, among other things, the change from net losses to net gains on financial instruments at fair value through profit or loss, partially offset by decreased foreign exchange gains; (ii) an increase in share of profit of associates and joint ventures accounted for using the equity method from NT$242.2 million in the six months ended June 30, 2025 to NT$629.6 million (US$19.8 million) in the same period of 2026; and (iii) a decrease in finance costs from NT$321.1 million in the six months ended June 30, 2025 to NT$187.0 million (US$5.9 million) in the same period of 2026, primarily due to lower interest expenses on borrowings. Such increase was partially offset by a decrease in interest income, from NT$5,524.2 million in the six months ended June 30, 2025 to NT$4,958.7 million (US$155.7 million) in the same period of 2026, primarily reflecting lower interest income from financial assets measured at amortized cost.

Income Tax Expense. Our income tax expense decreased by 41.1% from NT$10,187.4 million in the six months ended June 30, 2025 to NT$5,999.6 million (US$188.4 million) in the same period of 2026, primarily as a result of an adjustment to previously estimated tax provisions and a decrease in income tax expense related to Pillar Two legislation.

Net Income and Net Margin. As a result of the foregoing, our net income decreased by 15.0% from NT$57,593.4 million in the six months ended June 30, 2025 to NT$48,981.4 million (US$1,537.9 million) in the same period of 2026. Our net margin decreased from 19.0% to 16.3%.

Year Ended December 31, 2025 Compared to Year Ended December 31, 2024

Net sales. Our net sales increased by 12.3% from NT$530,585.9 million in 2024 to NT$595,965.7 million (US$18,711.6 million) in 2025, primarily due to strong growth in sales of our flagship smartphone SoCs and our connectivity and computing products.

Operating Costs. Our operating costs increased by 17.1% from NT$267,200.2 million in 2024 to NT$312,885.7 million (US$9,823.7 million) in 2025, primarily reflecting higher production costs broadly in line with the increase in our net sales.

Gross Profit and Gross Margin. As a result of the foregoing, our gross profit increased by 7.5% from NT$263,385.7 million in 2024 to NT$283,079.9 million (US$8,887.9 million) in 2025, and our gross margin decreased from 49.6% in 2024 to 47.5% in 2025, primarily due to the comparatively greater favorable impact on gross margin in 2024 of the one-time reversal of costs related to securing capacity, as compared to 2025, due to the lower level of net sales in 2024.

Operating Expenses. Our operating expenses increased by 11.6% from NT$160,973.7 million in 2024 to NT$179,610.2 million (US$5,639.3 million) in 2025, mainly due to (i) an increase in research and development expenses by 12.4% from NT$131,993.1 million in 2024 to NT$148,306.4 million (US$4,656.4 million) in 2025, which resulted primarily from increased investment in engineering resources as well as higher personnel costs incurred to attract and retain engineering talent; and (ii) an increase in selling expenses by 19.6% from NT$17,089.7 million in 2024 to NT$20,447.7 million (US$642.0 million) in 2025, primarily attributable to higher license fees; partially offset by a decrease in administrative expenses by 9.1% from NT$11,947.0 million in 2024 to NT$10,856.8 million (US$340.9 million) in 2025, primarily attributable to improved operational efficiency and cost-control measures.

Operating Income and Operating Margin. As a result of the foregoing, our operating income increased by 1.0% from NT$102,412.0 million in 2024 to NT$103,469.7 million (US$3,248.7 million) in 2025, and our operating margin decreased from 19.3% to 17.4%.

Non-Operating Income and Expenses. Our net non-operating income increased by 25.2% from NT$17,106.8 million in 2024 to NT$21,418.1 million (US$672.5 million) in 2025. This increase was primarily attributable to (i) an increase in other gains and losses from NT$1,959.7 million in 2024 to NT$4,521.1 million (US$141.9 million) in 2025, which reflected, among other things, gains recognized from the sale of assets related to our discrete timing controller business and the licensing of related technologies and the change from a net foreign-exchange loss to a net foreign-exchange gain in 2025, partially offset by a change from net gains to net losses on financial instruments at fair value through profit or loss; (ii) an increase in other income from NT$3,934.1 million in 2024 to NT$5,944.7 million (US$186.6 million) in 2025, primarily due to an increase in dividend income; and (iii) an increase in our share of profit of associates and joint ventures accounted for using the equity method from NT$516.6 million in 2024 to NT$785.0 million (US$24.6 million) in 2025. Such increase was partially offset by (i) a decrease in interest income from NT$11,149.7 million in 2024 to NT$10,819.3 million (US$339.7 million) in 2025, primarily reflecting lower interest income from financial assets measured at amortized cost; and (ii) an increase in finance costs from NT$453.3 million in 2024 to NT$652.0 million (US$20.5 million) in 2025, primarily due to higher interest expenses on borrowings.

Income Tax Expense. Our income tax expense increased by 51.6% from NT$12,378.2 million in 2024 to NT$18,770.2 million (US$589.3 million) in 2025, primarily as a result of higher net income before income tax and an increase in tax expense recognized under the Pillar Two global minimum tax rules.

Net Income and Net Margin. As a result of the foregoing, our net income remained relatively stable from NT$107,140.6 million in 2024 to NT$106,117.6 million (US$3,331.8 million) in 2025. Our net margin decreased from 20.2% to 17.8%.

Year Ended December 31, 2024 Compared to Year Ended December 31, 2023

Net sales. Our net sales increased by 22.4% from NT$433,446.3 million in 2023 to NT$530,585.9 million in 2024, primarily because customers resumed inventory replenishment in 2024 following an industry-wide inventory correction in 2023.

Operating Costs. Our operating costs increased by 18.2% from NT$226,079.3 million in 2023 to NT$267,200.2 million in 2024, primarily reflecting higher production costs broadly in line with the increase in our net sales, partially offset by a one-time reversal of costs related to securing capacity that was recognized in 2024.

Gross Profit and Gross Margin. As a result of the foregoing, our gross profit increased by 27.0% from NT$207,367.0 million in 2023 to NT$263,385.7 million in 2024. Our gross margin increased from 47.8% in 2023 to 49.6% in 2024, primarily due to product mix changes and a one-time reversal of costs related to securing capacity that was recognized in 2024.

Operating Expenses. Our operating expenses increased by 18.7% from NT$135,567.5 million in 2023 to NT$160,973.7 million in 2024, mainly due to (i) an increase in research and development expenses by 18.5% from NT$111,384.9 million in 2023 to NT$131,993.1 million in 2024, which resulted primarily from increased investment in engineering resources as well as higher personnel costs incurred to attract and retain engineering talent; (ii) an increase in our selling expenses by 18.5% from NT$14,423.7 million in 2023 to NT$17,089.7 million in 2024, primarily attributable to higher license fees; and (iii) an increase in our administrative expenses by 23.1% from NT$9,703.3 million in 2023 to NT$11,947.0 million in 2024, which resulted primarily from higher personnel and other administrative costs incurred to support the growth of our business.

Operating Income and Operating Margin. As a result of the foregoing, our operating income increased by 42.6% from NT$71,799.5 million in 2023 to NT$102,412.0 million in 2024, while our operating margin increased from 16.6% to 19.3%.

Non-Operating Income and Expenses. Our net non-operating income increased by 14.2% from NT$14,982.9 million in 2023 to NT$17,106.8 million in 2024. This change was primarily attributable to (i) an increase in interest income from NT$7,307.8 million in 2023 to NT$11,149.7 million in 2024, primarily due to increased interest income from financial assets measured at amortized cost; (ii) an increase in other gains and losses from a gain of NT$1,095.3 million in 2023 to a gain of NT$1,959.7 million in 2024, primarily due to higher net gains on financial instruments at fair value through profit or loss and gains on the disposal of investments accounted for using the equity method, partially offset by higher net foreign-exchange losses; and (iii) an increase in share of profit of associates and joint ventures accounted for using the equity method from NT$278.4 million in 2023 to NT$516.6 million in 2024. Such increase was partially offset by (i) a decrease in other income from NT$6,700.8 million in 2023 to NT$3,934.1 million in 2024, primarily due to a decrease in dividend income; and (ii) an increase in finance costs from NT$399.4 million in 2023 to NT$453.3 million in 2024, primarily due to higher interest expense on lease liabilities.

Income Tax Expense. Our income tax expense increased by 29.1% from NT$9,591.5 million in 2023 to NT$12,378.2 million in 2024, primarily as a result of an increase in our net income before income tax in 2024 compared to 2023.

Net Income and Net Margin. As a result of the foregoing, our net income increased by 38.8% from NT$77,190.9 million in 2023 to NT$107,140.6 million in 2024. Our net margin increased from 17.8% to 20.2%.

Liquidity and Capital Resources

Historically, our primary sources of liquidity have consisted of cash generated from operating activities and, to a lesser extent, debt financing. Our capital resources are primarily used to fund our working capital requirements, capital expenditures, including purchases of property, plant and equipment and intangible assets and other general corporate purposes.

Our net cash flows from operating activities for 2023, 2024 and 2025 were NT$166,091.3 million, NT$156,054.6 million and NT$162,792.9 million (US$5,111.2 million), respectively. In the six months ended June 30, 2026, we had net cash flows from operating activities that amounted to NT$6,594.0 million (US$207.0 million).

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had cash and cash equivalents of NT$165,396.0 million, NT$203,695.9 million, NT$235,290.1 million (US$7,387.4 million) and NT$189,000.7 million (US$5,934.1 million), respectively. Our cash and cash equivalents primarily consisted of cash on hand and petty cash, checking and savings accounts, and short-term, highly liquid time deposits and repurchase agreements that are readily convertible to known amounts of cash with values subject to an insignificant risk of changes. Our cash and cash equivalents are primarily denominated in the NT dollar and US dollar.

As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had unsecured short-term bank loans of NT$2,200.0 million, NT$940.0 million, NT$940.0 million and NT$17,100.0 million, respectively. As of December 31, 2023, 2024 and 2025 and June 30, 2026, we had long-term borrowings, net of any current portion, of nil, nil, NT$60.0 million and NT$120.0 million, respectively. Such long-term borrowings were secured by certain of our buildings and facilities.

We believe that our current cash and cash equivalents and our anticipated cash flows from operations will be sufficient to meet our anticipated working capital requirements, debt repayments, dividend payments and other business requirements associated with existing operations for the next 12 months.

We may, however, need additional cash resources in the future if we experience changes in business conditions or other developments, or if we find and wish to pursue opportunities for investments, acquisitions, capital expenditures or similar actions. If our existing cash and cash equivalents are insufficient to meet our requirements at the time, we may seek to issue equity or debt securities or obtain credit facilities. The issuance and sale of additional equity would result in further dilution to our shareholders. The incurrence of indebtedness would result in increased fixed obligations and could result in operating covenants that would restrict our operations.

The following table sets forth a summary of our consolidated cash flows for the periods indicated:

	Year ended December 31,				Six months ended June 30,		
	2023	2024	2025		2025	2026	
	NT$	NT$	NT$	US$[1]	NT$	NT$	US$[1]
				(in thousands)			
Net cash flows from operating activities	166,091,322	156,054,607	162,792,872	5,111,236	59,091,662	6,593,980	207,032
Net cash flows used in investing activities	(28,745,701)	(35,927,693)	(37,753,968)	(1,185,368)	(17,745,219)	(23,680,906)	(743,514)
Net cash flows used in financing activities	(118,569,139)	(90,119,376)	(87,674,751)	(2,752,739)	(42,076,029)	(31,150,056)	(978,024)
Net increase (decrease) in cash and cash equivalents	17,893,855	38,299,882	31,594,190	991,968	(18,347,336)	(46,289,422)	(1,453,357)

(1) Translation of amounts from NT dollars into US dollars has been made at the rate prevailing on June 30, 2026 of NT$31.85 = US$1.00. The exchange rate is not derived from the audited or unaudited financial statements.

Net Cash Flows From Operating Activities

Net cash flows from operating activities for the six months ended June 30, 2026 were NT$6,594.0 million (US$207.0 million). This was primarily attributable to net income before income tax of NT$54,981.1 million, negatively adjusted by (i) an increase in inventories of NT$31,300.4 million, (ii) an increase in trade receivables of NT$14,467.5 million, (iii) a decrease in other current liabilities of NT$5,868.5 million, and (iv) interest income of NT$4,958.7 million. Such negative adjustments were partially offset by (i) depreciation expenses of NT$6,917.6 million, (ii) amortization expenses of NT$5,923.7 million, and (iii) an increase in trade payables of NT$5,158.1 million. Net cash flows from operating activities also reflected, among other things, income tax paid of NT$10,428.8 million and interest received of NT$5,067.5 million.

Net cash flows from operating activities in 2025 were NT$162,792.9 million (US$5,111.2 million). This was primarily attributable to net income before income tax of NT$124,887.8 million, positively adjusted by (i) an increase in other current liabilities of NT$17,268.5 million, (ii) depreciation expenses of NT$13,335.8 million, (iii) a decrease in prepayments of NT$10,209.5 million, (iv) amortization expenses of NT$9,638.5 million, and (v) an increase in trade payables of NT$7,434.6 million. Such adjustments were partially offset by (i) an increase in trade receivables of NT$18,843.8 million, (ii) interest income of NT$10,819.3 million, and (iii) an increase in inventories of NT$8,575.6 million. Net cash flows from operating activities also reflected, among other things, interest received of NT$11,114.3 million and income tax paid of NT$7,025.7 million.

Net cash flows from operating activities in 2024 were NT$156,054.6 million. This was primarily attributable to net income before income tax of NT$119,518.8 million, positively adjusted by (i) depreciation expenses of NT$12,560.2 million, (ii) a decrease in trade receivables of NT$12,314.4 million, (iii) an increase in other current liabilities of NT$11,747.9 million, (iv) an increase in other payables of NT$11,394.2 million, and (v) amortization expenses of NT$8,375.8 million. Such adjustments were partially offset by (i) an increase in inventories of NT$15,292.0 million, and (ii) interest income of NT$11,149.7 million. Net cash flows from operating activities also reflected, among other things, income tax paid of NT$13,346.3 million and interest received of NT$9,391.3 million.

Net cash flows from operating activities in 2023 were NT$166,091.3 million. This was primarily attributable to net income before income tax of NT$86,782.4 million, positively adjusted by (i) an increase in other current liabilities of NT$31,147.7 million, (ii) a decrease in inventories of NT$27,404.4 million, (iii) an increase in trade payables of NT$17,105.2 million, (iv) depreciation expenses of NT$11,001.3 million, and (v) amortization expenses of NT$7,198.9 million. Such adjustments were partially offset by (i) an increase in trade receivables of NT$14,290.1 million and (ii) interest income of NT$7,307.8 million. Net cash flows from operating activities also reflected, among other things, income tax paid of NT$13,099.7 million and interest received of NT$6,981.2 million.

Net Cash Flows Used in Investing Activities

Net cash flows used in investing activities for the six months ended June 30, 2026 were NT$23,680.9 million (US$743.5 million). This was primarily attributable to (i) the acquisition of property, plant and equipment of

NT$10,815.1 million, (ii) the acquisition of intangible assets of NT$9,926.5 million, (iii) an increase in refundable deposits of NT$6,567.2 million, and (iv) the acquisition of financial assets at fair value through other comprehensive income of NT$6,550.7 million. These cash outflows were partially offset by (i) proceeds from repayments of financial assets measured at amortized cost of NT$6,186.1 million and (ii) proceeds from disposal of financial assets at fair value through other comprehensive income of NT$3,483.4 million.

Net cash flows used in investing activities in 2025 were NT$37,754.0 million (US$1,185.4 million). This was primarily attributable to (i) the acquisition of financial assets measured at amortized cost of NT$21,227.2 million, (ii) the acquisition of property, plant and equipment of NT$15,059.1 million, and (iii) the acquisition of intangible assets of NT$10,360.5 million. These cash outflows were partially offset by (i) proceeds from repayments of financial assets measured at amortized cost of NT$11,534.6 million, and (ii) proceeds from the disposal of financial assets measured at fair value through other comprehensive income of NT$2,801.0 million.

Net cash flows used in investing activities in 2024 were NT$35,927.7 million. This was primarily attributable to (i) the acquisition of financial assets measured at amortized cost of NT$25,728.1 million, (ii) the acquisition of property, plant and equipment of NT$13,786.5 million, and (iii) the acquisition of intangible assets of NT$8,726.3 million. These cash outflows were partially offset by (i) proceeds of NT$10,748.2 million from repayments of financial assets measured at amortized cost, and (ii) proceeds of NT$3,868.8 million from the disposal of financial assets measured at fair value through other comprehensive income.

Net cash flows used in investing activities in 2023 were NT$28,745.7 million. This was primarily attributable to (i) the acquisition of financial assets measured at amortized cost of NT$35,101.0 million, (ii) the acquisition of property, plant and equipment of NT$9,324.8 million, and (iii) the acquisition of intangible assets of NT$7,502.4 million. These cash outflows were partially offset by (i) proceeds of NT$20,533.0 million from the disposal of financial assets measured at fair value through other comprehensive income, and (ii) proceeds of NT$6,487.4 million from repayments of financial assets measured at amortized cost.

Net Cash Flows Used in Financing Activities

Net cash flows used in financing activities for the six months ended June 30, 2026 were NT$31,150.1 million (US$978.0 million). This was primarily attributable to (i) cash dividends paid of NT$46,287.4 million and (ii) payments of lease liabilities of NT$1,082.1 million. These cash outflows were partially offset by an increase in short-term borrowings of NT$16,160.0 million.

Net cash flows used in financing activities in 2025 were NT$87,674.8 million (US$2,752.7 million). This was primarily attributable to (i) cash dividends paid of NT$86,069.6 million, and (ii) payments of lease liabilities of NT$1,162.7 million.

Net cash flows used in financing activities in 2024 were NT$90,119.4 million. This was primarily attributable to (i) cash dividends paid of NT$87,550.8 million, (ii) repayments of short-term borrowings of NT$1,260.0 million, and (iii) payments of lease liabilities of NT$902.0 million.

Net cash flows used in financing activities in 2023 were NT$118,569.1 million. This was primarily attributable to (i) cash dividends paid of NT$120,981.2 million, (ii) the acquisition of ownership interests in subsidiaries of NT$2,968.7 million, and (iii) repayments of short-term borrowings of NT$1,500.0 million. These cash outflows were partially offset by changes in non-controlling interests of NT$8,403.6 million.

Capital Expenditures

Our capital expenditures represented acquisition of property, plant and equipment and acquisition of intangible assets of NT$16,827.2 million, NT$22,512.8 million, NT$25,419.6 million (US$798.1 million) and NT$20,741.6 million (US$651.2 million) in 2023, 2024, 2025 and the six months ended June 30, 2026, respectively. In these periods, our capital expenditures were used primarily for the acquisition of property, plant and equipment, software, intellectual property and patents. We will continue to make capital expenditures to meet the expected growth of our business.

Contractual Obligations

The following table sets forth our contractual maturities of financial liabilities, including estimated interest payments as of June 30, 2026:

	Less than 1 year	1 to 5 years	More than 5 years	Total
		(NT$ in thousands)		
Short-term borrowings	17,125,928	-	-	17,125,928
Trade payables (including related parties)	51,328,029	-	-	51,328,029
Other payables (including related parties)	102,371,848	-	-	102,371,848
Lease liabilities	1,583,732	2,228,894	8,655,297	12,467,923
Long-term payables (including current portion)	14,442,024	8,694,571	-	23,136,595
Long-term borrowings	-	91,874	34,946	126,820
Total	**186,851,561**	**11,015,339**	**8,690,243**	**206,557,143**

Contingencies and Off-Balance-Sheet Commitments

We have certain off-balance-sheet commitments and contingencies, including significant commitments relating to land use arrangements, capacity reservation arrangements with suppliers and long-term energy purchase agreements, as well as certain legal claim contingencies. For a discussion of our contingencies and off-balance-sheet commitments, see Note 9 to the consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 and unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026.

Inflation

Inflation in any of our key markets has not had a material impact on our results of operations. However, we cannot provide assurance that significant variations in the nature, extent or scope of inflation within any of our key markets in the future would not have a material impact on our business, financial condition and results of operations.

Taxation

The statutory income tax rate applicable to us in the ROC is a flat rate of 20%. The income of our foreign subsidiaries generally is not subject to ROC income tax unless distributed or deemed distributed to us or included in our taxable income under applicable anti-deferral rules, including the ROC controlled foreign company rules. We are also subject to top-up taxes under the Pillar Two global minimum tax rules in certain jurisdictions.

We are entitled to various types of income tax benefits in the ROC. We recognize tax benefits, when entitled, as a deduction of income tax expense and tax payable.

Significant Accounting Judgments, Estimates and Assumptions

The preparation of financial statements and disclosures in conformity with Taiwan IFRS 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 management are based on historical experience and other related factors and continuously being evaluated and adjusted. Actual results could differ from these estimates and assumptions.

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.

Valuation of Inventory – Estimation of Obsolescence Provision

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

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.

Revenue Recognition – Sales Discounts and Returns

The Company estimates sales allowance and returns based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales allowances and returns, we make estimates on the basis that it is highly probable that a significant reversal in the cumulative amount of revenue recognized will not occur.

Quantitative and Qualitative Disclosures about Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. We are exposed to financial market risks, primarily comprising foreign currency risk, interest rate risk and other price risk.

Foreign Currency Risk

Our exposure to the risk of changes in foreign exchange rates relates primarily to our operating activities when revenue or expenses are denominated in a different currency from our functional currency and our net investments in foreign subsidiaries. We review our assets and liabilities denominated in foreign currency and enter into forward exchange contracts and cross-currency swap contracts to hedge the exposure from exchange rate fluctuations. These hedges reduce, but do not entirely eliminate, the effect of foreign currency exchange rate movements on our assets and liabilities. Our net investments in foreign subsidiaries are held for strategic purposes and are not hedged. Based on a sensitivity analysis, a 0.1% appreciation or depreciation of the NT dollar against the US dollar would have changed our profit by NT$44.9 million, NT$87.3 million and NT$105.3 million for 2023, 2024 and 2025, respectively, and by NT$75.7 million and NT$97.3 million for the six months ended June 30, 2025 and 2026, respectively, assuming all other variables remained constant.

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. Our exposure to interest rate risk relates primarily to our investment in debt instruments at variable interest rates and bank borrowings with fixed and variable interest rates. Based on a sensitivity analysis performed on items exposed to interest rate risk as of the end of each reporting period (including investments and bank borrowings with variable interest rates), a hypothetical interest-rate change of 10 basis points would result in a change in our profit of NT$1.0 million, NT$0.9 million and NT$0.6 million for 2023, 2024 and 2025, respectively, and by NT$0.8 million and NT$0.6 million for the six months ended June 30, 2025 and 2026, respectively, assuming all other variables remained constant.

Other Price Risk

Our listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. We manage such risk through diversification and placing limits on individual and total equity investments. Reports on the equity portfolio are submitted to our senior management on a regular basis. Our board of directors reviews and approves certain equity investments according to the applicable level of authority.

Newly Issued or Revised Accounting Standards and Interpretations

See Note 3 to our consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 and consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 included elsewhere in this offering circular for a detailed discussion.

INDUSTRY OVERVIEW

The semiconductor industry is undergoing structural growth as AI is increasingly adopted across cloud and edge applications. This trend is supported by increasing capital investment in AI data centers and increasing adoption of agentic AI in smartphones and other edge devices. Agentic AI generally refers to AI systems capable of understanding context, making decisions and performing multi-step tasks with a degree of autonomy. The emergence of AI is reshaping semiconductor product roadmaps and may contribute to an increase in semiconductor content per device across a broad range of end markets.

The expansion of cloud-based AI infrastructure has become an important driver of demand for advanced logic and memory. This overall compute demand is accelerating significantly with the emergence of agentic AI, whose autonomous workloads are driving compute requirements and inference demand as usage scales. To meet these needs, hyperscalers are increasingly adopting custom ASICs, the purpose-built accelerators that offer total cost of ownership ("TCO") and power efficiency benefits at scale, which are supported by developments in advanced packaging, high-bandwidth memory ("HBM") and high-speed interconnect.

The technology landscape is shifting toward edge computing, driven by the native execution of generative AI on devices to address demands for lower latency, enhanced privacy, reduced network bandwidth reliance and improved energy efficiency. In addition to smartphones, a broad range of edge devices, including personal computers, vehicles, smart-home devices, wearables and industrial equipment, are increasingly incorporating AI capabilities. The emergence of agentic AI, which enables devices to understand context, make decisions and perform multi-step tasks with greater autonomy, may further drive demand for advanced computing, connectivity and power-efficient processing capabilities across these devices.

The smartphone remains one of the largest applications for SoCs. Demand for advanced SoCs is shaped by continued 5G migration, ongoing premiumization and the progressive integration of application processing, graphics, modem, connectivity and dedicated AI engines onto a single chip. One significant emerging trend is on-device generative AI, under which certain capabilities that previously depended on cloud connectivity are increasingly executed natively on the device. Generative-AI-capable processors are increasingly being incorporated into flagship models and may subsequently extend into mid-tier and mass-market segments. The development of agentic AI may also enable smartphones to provide more personalized and context-aware experiences and to execute increasingly complex tasks across applications, further increasing demand for advanced SoCs with enhanced AI-processing capabilities.

The growing intensity of computing is also driving increased demand for power-management integrated circuits (PMICs), which regulate and optimize the delivery of power within electronic systems and are essential to managing the rising energy requirements of AI-enabled edge devices and data centers. This dynamic is particularly evident in the server market, where the shift from conventional processors to AI accelerators can increase power consumption and power density at the rack level. As power draw and thermal density rise, servers may require power-management solutions that can distribute, regulate and conserve energy efficiently across increasingly demanding workloads. At the same time, as consumers increasingly prioritize battery life and functionality per edge device continues to increase, sophisticated power management has become increasingly important across a range of end products, from consumer electronics to IoT devices.

Connectivity represents another important growth area as the rapid expansion of AI may increase the volume of data that must move between edge devices and data centers and require higher data transmission speeds and greater bandwidth. The migration of AI processing toward the edge is giving rise to an integrated "edge-to-cloud" model, in which workloads may be distributed dynamically among edge devices, regional infrastructure and hyperscale data centers. This development may accelerate migration toward newer connectivity specifications that support higher speeds, greater bandwidth, lower latency and improved reliability. This is particularly evident in agentic AI, whose autonomous, multi-step workloads may generate more persistent, interactive and latency-sensitive traffic than certain conventional applications, potentially increasing demand for higher-speed, higher-bandwidth interconnect capacity across data centers and edge devices.

BUSINESS

Overview

Vision

AI for Life, from Edge to Cloud.

Who We Are

We are a leading fabless semiconductor company offering cutting-edge IC products, commonly referred to as chips, including SoC solutions and chipsets, as well as IC design services, for smartphones, computing devices, smart homes, IoT applications, automotive applications and AI data centers. Founded in May 1997 and headquartered in Hsinchu Science Park, Taiwan, we listed on the Taiwan Stock Exchange (TWSE: 2454) in July 2001. Over nearly three decades, we have expanded our global operations across Europe, the Americas and Asia and grown into a diversified platform company built on deep expertise in compute and connectivity, capabilities that increasingly converge as AI proliferates from devices to the data center.

Our Product Portfolio

Our foundational strengths in computing performance, power efficiency, AI, connectivity and multimedia sit at the heart of every chip we design and support a broad range of platforms across diverse industries. We currently report our business across three revenue groups: Mobile Phone, Smart Edge Platforms and Power IC.

- *Mobile Phone.* Our Mobile Phone comprises 5G and 4G smartphone SoCs, which span flagship, premium, mainstream and entry tiers. Each SoC integrates the central processing, graphics, cellular modem, and imaging functions onto a single chip. Our latest flagship SoCs are designed to run increasingly capable on-device generative and agentic AI.

- *Smart Edge Platforms.* Our Smart Edge Platforms comprises connectivity (Wi-Fi, 5G modems, broadband and 10G PON), computing (tablets, Chromebooks and AI PCs), smart TV, automotive and others. These products bring AI capability and higher-bandwidth connectivity to a broad range of everyday devices. Our emerging data center ASIC business is currently reported within this group.

- *Power IC.* Our Power IC supplies power management components that regulate and deliver power efficiently across electronic systems. These products serve smartphone, computing, data center, connectivity, automotive and industrial applications, and frequently travel alongside larger compute platforms, allowing us to capture additional content within a device's bill of materials.

Competitive Strengths

Leading Full-Stack AI Innovator from Edge to Cloud

We are one of the few semiconductor companies with capabilities spanning the full AI compute stack, from power-efficient edge platforms to custom accelerators and end-to-end solutions for the data center. At the edge, by integrating computing and leading-edge connectivity solutions, we enable ubiquitous AI for our broader portfolio, which includes tablets, Chromebooks, AI PCs, IoT devices and automotive applications. Our edge AI enables generative and agentic AI across smart devices, retail, industrial and commercial use cases.

In the cloud, we provide custom AI accelerator design, with key capabilities spanning advanced process nodes, advanced 2.5D and 3.5D packaging, high-speed interconnect IP, and custom HBM integration, to help customers improve performance per watt and performance per total cost of ownership. Together, these capabilities allow us to apply our strengths in high-performance, power-efficient computing, connectivity and system integration across AI workloads in the cloud.

Diversified Product Portfolio with Leadership across Multiple Categories

We possess a vast portfolio of business solutions across diverse industries, spanning smartphones, tablets and Chromebooks, connectivity, broadband, smart homes, IoT, automotive and custom ASICs. We maintained our position as the global market share leader in smartphones, smart TV, a broad range of connectivity solutions, Chromebook, and Android tablet. Our leading position is supported by our successful technology developments in Wi-Fi 7, 5G modems, 10G PON.

Our technologies power more than 2 billion devices annually across a broad base of applications and customers. This scale provides extensive market reach and opportunities for our core technologies across multiple product families, while our emerging data center business diversifies our end-market exposure and helps cushion the potential cyclicality of consumer demand.

Deep Partnerships with Global Customers, Ecosystem Partners and Supply-Chain Partners

We have established deep relationships with a broad base of global customers, including leading smartphone and consumer electronics brands, telecommunications operators, automotive OEMs and tier-one suppliers, and hyperscale cloud service providers. These relationships range from supplying high-volume consumer devices to jointly developing complex solutions for AI data centers. We also collaborate closely with global ecosystem partners to accelerate industry development.

We maintain deep and strategic relationships with our supply-chain partners, ensuring our access to advanced process and packaging technologies and other critical components such as HBM and substrates. For example, we are the leading IC design company to support various advanced packaging platforms, providing customers with flexibility in developing complex, high-performance systems and strengthening our ability to execute large-scale products from design through volume production.

Broad Proprietary IP Portfolio and Leading-Edge Design Capability

In data center, we have built a broad portfolio of proprietary semiconductor IP that enables customers to scale their custom ASIC chips and even to complete systems in the future. Our capabilities include the industry-leading SerDes and die-to-die interconnect, and pre-validated subsystem IP across memory, I/O and connectivity, which can shorten development cycles and support increasingly complex heterogeneous compute architectures.

Our design capabilities are well demonstrated by our positions as a market share and technology leader especially in edge devices. This leadership is complemented by our robust portfolio of foundational IP spanning high-performance and low-power computing, Wi-Fi, 5G and satellite communications. As the industry transitions into the era of on-device agentic AI, our integration of AI processors and cutting-edge CPU and GPU enables us to deliver unmatched power efficiency and multi-modal processing capabilities, empowering our customers to build highly differentiated, AI-centric platforms.

Strong Balance Sheet and Seasoned Management Team

Our strong balance sheet, including more than US$5 billion of cash, provides the financial capacity to sustain substantial investment in research and development, secure strategic manufacturing capacity and pursue new growth opportunities through industry cycles. In 2025, we invested across leading-edge process technology, advanced packaging, high-speed connectivity and data center capabilities while continuing to expand our established Mobile Phone and Smart Edge Platforms franchises. This financial flexibility is particularly important as the development of advanced AI silicon requires significant multi-year investment in engineering, IP, capacity and supply chain readiness.

Our seasoned management team has a proven record of navigating different industry cycles while building new growth platforms. Under its leadership, we have expanded, for example, into flagship smartphones, edge AI computing devices, automotive, and cloud data center solutions, while maintaining disciplined investment and operational execution. This combination of financial strength, technology investment and execution experience,

positions us to pursue long-term opportunities without compromising the resilience of our core businesses.

Business Strategies

Scale the Data Center ASIC Franchise

We intend to grow our AI ASIC business by helping customers optimize performance per watt, performance per total cost of ownership and time to market, and to capture more share of the AI accelerator market. Building on our existing custom accelerator programs and advanced chip-design capabilities, we plan to deepen engagements with hyperscale cloud service providers and continue investing in workload-specific optimization, leading-edge process technology, high-speed SerDes, custom memory integration and advanced packaging.

Over time, we plan to broaden our capabilities from ASIC chip design to more comprehensive end-to-end AI data center solutions. Our current data center technology portfolio spans AI accelerator ASIC design, 2.5D and 3.5D packaging, and high-speed interconnect, while our longer-term roadmap includes co-packaged optics and rack-level solutions. By combining these capabilities into more complete platforms, we aim to provide greater value to customers and capture a broader portion of data center system value.

Extend Edge AI and Connectivity Leadership and Accelerate Growth of Power Management Business

We intend to extend our edge AI leadership by sustaining share gains in flagship smartphone SoCs through a consistent product cadence and continued advances in compute performance, power efficiency and on-device AI. We are also expanding our computing portfolio across tablets, Chromebooks and Windows AI PCs, including platforms developed with NVIDIA, and broadening the adoption of our solutions across smart home, industrial, retail, robotics and other applications. In automotive, we intend to scale our Dimensity AX portfolio across intelligent cockpit and telematics applications and extend our participation into advanced driver-assistance systems ("ADAS") through customer and ecosystem partnerships.

In connectivity, we plan to capitalize on continued adoption of Wi-Fi 7, Wi-Fi 8, 5G-Advanced, fixed wireless access and 10G PON, while broadening our roadmap into satellite communications and 6G. We also intend to continue developing technologies that connect edge and cloud computing more seamlessly, including 6G radio interoperability and hybrid computing architectures designed to support future agentic AI applications.

In power management, we plan to leverage our experience in power architecture to expand into new end-markets. With the proliferation of AI, power management will be increasingly important on edge devices and in data center hardware. We will actively explore opportunities to expand our power management integrated circuits for new use cases.

Deepen Relationship with Supply-Chain Partners

We intend to deepen our relationships with leading foundry, packaging, testing and other supply-chain partners to secure the advanced manufacturing capacity and technologies required to support growth across our edge and cloud businesses. As our products migrate to more advanced process nodes and increasingly complex packaging architectures, close coordination with these partners is critical to improving product performance, supporting reliable volume production and accelerating time to market.

We also plan to manage capacity commitments and product allocation strategically, while maintaining disciplined pricing and working closely with customers and suppliers to address changes in input costs. This approach is intended to strengthen supply resilience, enhance our cost competitiveness and support profitable growth across market and technology cycles.

Sustain Technology Leadership by Expanding Next-Generation Capabilities and Investing in World-Class Talent

We intend to sustain our technology leadership by advancing our edge and cloud product roadmaps to leading-edge process nodes, including 2-nanometer and beyond, and expanding our capabilities in next-generation

technologies in advanced packaging, high-speed interconnect, memory, power delivery and optical connectivity. We also leverage our R&D and IP resources to support multiple customers and applications to improve development efficiency and strengthening our ability to address growth opportunities across edge and cloud AI.

To support these priorities, we are heavily investing in specialized talent in data center architecture, AI systems, critical IP and other advanced technologies, including system architects and power and optics experts. We will continue to deepen collaboration with leading ecosystem partners. For example, we developed active optical cable technology with Microsoft Research to improve data center efficiency, and we made a financial investment in Ayar Labs to leverage its leading co-packaged optics technology.

Products and Services

We are primarily engaged in the design, development and sale of IC products. Our products are supported by advanced process chip design and integration capabilities, experience in advanced packaging design and integration and a broad portfolio of IP. Our IC design activities span both front-end and back-end design, from circuit and logic design, simulation and verification through physical layout and tape-out, enabling us to develop products that deliver high performance, power efficiency and product differentiation. Following tape-out, and consistent with our fabless business model, we engage third-party suppliers to perform photomask production, wafer fabrication, packaging and testing. We manage these suppliers and coordinate the related manufacturing processes to deliver finished IC products to our customers.

Our products are incorporated into a broad range of end products and systems across the following principal application areas:

Mobile Computing Device. We provide highly integrated SoCs for smartphones, tablets, Chromebooks and other computing devices. These products combine processing, graphics, AI, imaging, multimedia and wireless connectivity capabilities. Our mobile computing products support a wide range of 5G and 4G smartphones across flagship, premium and mainstream market segments.

Wireless Communication and Broadband Networking. We provide wireless and wired connectivity ICs supporting technologies such as 5G, Wi-Fi and Bluetooth, as well as broadband access technologies including x-type digital subscriber line (xDSL), Gigabit Passive Optical Network (GPON) and 10G PON. These products are used in routers, home gateways, consumer electronics, enterprise equipment and Internet of Things, or IoT, devices. Certain home gateway products integrate Wi-Fi, Ethernet and voice-over-internet-protocol (VoIP), functions.

Digital Television and Smart Home. We provide ICs for digital televisions and smart home devices. Our digital television ICs support the reception and processing of satellite, terrestrial and cable television signals and integrate multimedia, AI and wireless connectivity capabilities. Certain products incorporate NPUs to enhance picture and audio processing and support Wi-Fi and Thread. Our smart home ICs are used in voice assistant devices, smart speakers and other connected home products, enabling voice, AI and connectivity functions.

Automotive. We provide automotive IC products for smart cockpit systems, ADAS, and in-vehicle communication systems. Our automotive products incorporate high-performance computing and image processing, low-power design and connectivity technologies. Our Dimensity Auto platform is designed to offer a high-performance, intelligent, energy-efficient and reliable suite of automotive applications.

Power Management. We provide power management IC products, including voltage detection and protection devices, voltage and AC/DC power conversion products, power management ICs that integrate multiple power conversion functions, controller ICs and driver ICs. These products are used in data centers, personal computers and peripherals, communications equipment, automotive systems, consumer electronics, smart home devices and IoT products.

In addition to our standard IC products, we also develop custom ASIC products in areas such as data center and consumer electronics. We collaborate with customers to define chip architectures and provide key IPs including wireless connectivity, multimedia, low-power processors, AI, and high-speed SerDes, to achieve product

differentiation. These ASICs are widely used in data centers, networking equipment, storage systems, AI accelerators and other edge and cloud computing applications. By tailoring performance, power consumption, die size, cost and packaging configurations to customer requirements, our customized ASICs are designed to improve system performance and power efficiency and reduce customers' total cost of ownership. The continued advancement of AI technologies and expansion of cloud computing infrastructure are driving increased demand for workload-optimized custom silicon and expanding the market opportunities for our custom ASIC business.

The following table sets forth our net sales by product category, in amounts and as percentages of net sales, for the periods indicated.

	Year Ended December 31,							Six months ended June 30,				
	2023		2024		2025			2025		2026		
	NT$	%	NT$	%	NT$	US$	%	NT$	%	NT$	US$	%
	(in thousands, except percentages)											
IC Products	424,144,048	97.9	522,257,791	98.4	585,345,737	18,378,202	98.2	299,821,945	98.7	296,482,175	9,308,703	98.4
Other [1]	9,302,282	2.1	8,328,095	1.6	10,619,945	333,436	1.8	3,858,863	1.3	4,850,946	152,306	1.6
Total	**433,446,330**	**100.0**	**530,585,886**	**100.0**	**595,965,682**	**18,711,638**	**100.0**	**303,680,808**	**100.0**	**301,333,121**	**9,461,009**	**100.0**

Note:
(1) Including, among others, net sales from technical services and licensing fees.

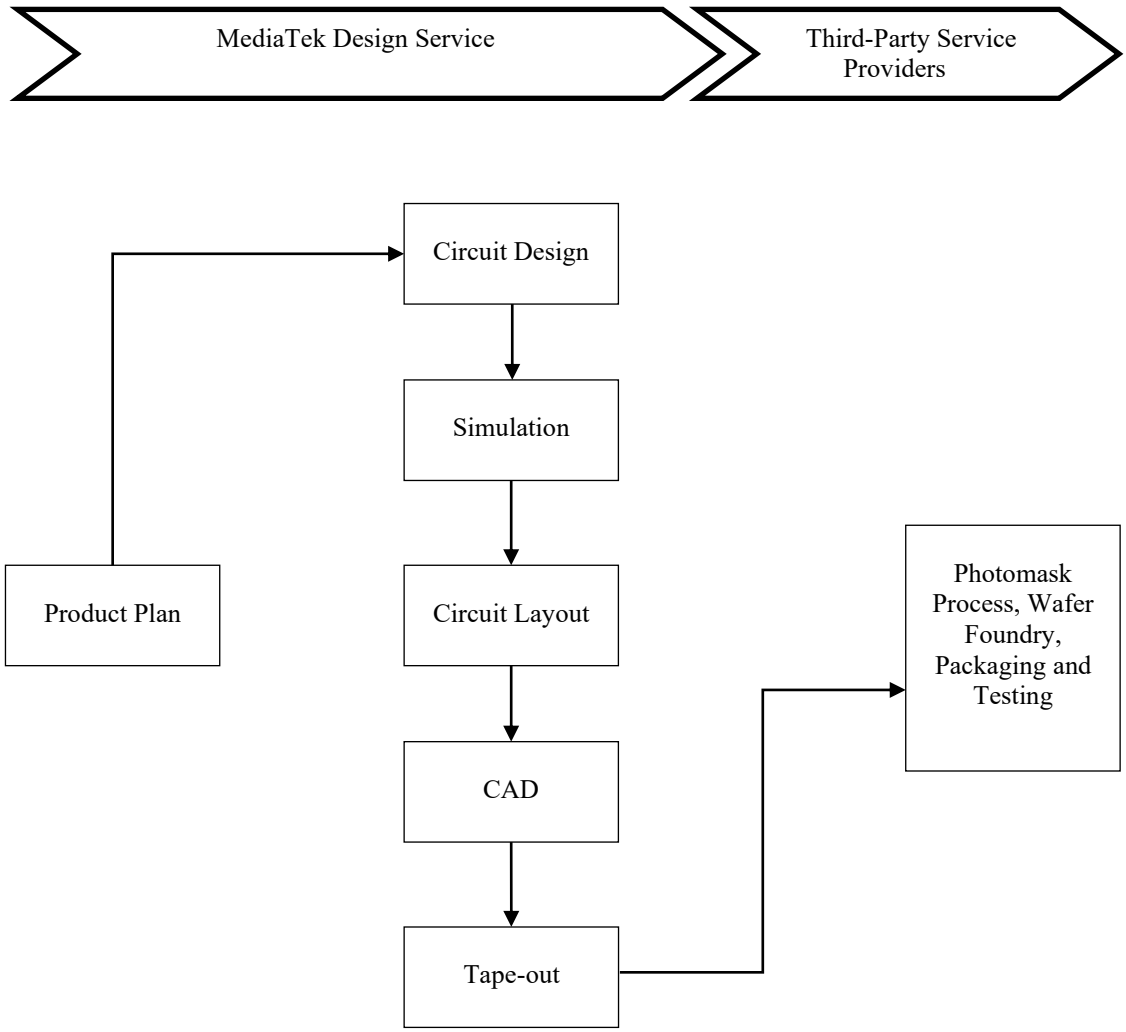
Product Design and Production

IC design generally consists of front-end design and back-end design, or physical, design. Under our fabless business model, we generally establish the product concepts and specifications for, and undertake both the front-end and physical design of, our semiconductor products.

During front-end design, our engineers translate product concepts and specifications into the functional and logical design of the IC. Register-transfer level ("RTL") code is used to describe the functions to be performed by the IC, and we conduct simulation and functional verification to confirm that the design meets the applicable specifications. Once the RTL has been verified, it is synthesized into a gate-level netlist for physical design. During physical design, our engineers use electronic design automation ("EDA") tools to implement the verified netlist as the physical layout of the IC through a series of implementation, optimization and verification processes, culminating in the generation of final layout data for tape-out.

Following tape-out, we coordinate with third-party photomask suppliers, wafer foundries and outsourced semiconductor assembly and test ("OSAT") service providers for photomask production, wafer fabrication, packaging and testing.

The following diagram outlines the principal stages in the design, development and delivery of our IC products:



IC Design

Our IC design process generally comprises front-end design activities, including product planning, circuit design and simulation, and physical design activities, including circuit layout and computer-aided implementation, optimization and verification, culminating in tape-out. Our design and system engineering teams collaborate in carrying out the principal IC design activities.

Product Plan. Development of a new IC product generally begins with a product plan based on our assessment of market and customer needs. The product plan specifies the intended functionality, performance and power consumption targets, target applications and other key design parameters, and provides the basis for subsequent system architecture, circuit design and verification activities.

Circuit Design. Based on the product plan, our system and design engineers define the overall chip architecture and develop the underlying circuit designs to translate the specified functions and performance targets into implementable logic and electrical designs. Digital functions are generally described in RTL code, while analog and

mixed-signal functions are designed at the circuit level to control and process electrical signals. Our engineers iteratively refine the circuit designs to address the applicable product requirements.

Simulation. Before physical implementation, our engineers use software-based models and verification tools to simulate the circuit designs. Depending on the product, simulation may cover functional behavior, timing and relevant electrical or mixed-signal characteristics under specified operating conditions. The simulation results are used to identify and resolve design issues, and, following completion of front-end verification, the verified RTL, where applicable, is synthesized into a gate-level netlist for physical design.

Circuit Layout. Following completion of circuit design and simulation, our physical design engineers develop the circuit layout by translating the verified circuit designs, including netlists and schematics, as applicable, into a physical representation of the IC. This process determines the arrangement of circuit elements and the interconnections among them and may include floor-planning, placement and routing, clock and power distribution and the layout of analog and mixed-signal blocks, as applicable.

Computer-aided Design. Our engineers use computer-aided design ("CAD") tools, including EDA software, to implement, optimize and verify the circuit layout against the applicable product specifications and foundry design rules. Through iterative optimization and verification, our engineers seek to address timing, power consumption, signal integrity, testability and other applicable design requirements and generate the final layout database for tape-out.

Tape-out. Once the physical layout has passed final verification and is approved for release, we finalize the layout database and complete tape-out. Tape-out marks the completion of the IC design process and the release of the final layout data for the subsequent photomask production process.

IC Production

We outsource all post-tape-out production of our IC products to third-party photomask suppliers, wafer foundries and OSAT service providers. Following tape-out, the final layout data is delivered to photomask suppliers for the production of mask sets used in wafer fabrication. Wafer fabrication is performed by qualified third-party foundries with advanced process technology capabilities. The completed wafers then undergo wafer-level testing to identify and screen out non-functional dies, after which the functional dies are packaged and subjected to final functional and electrical testing by OSAT service providers before shipment to customers. We coordinate with these third-party service providers throughout the production process, including in connection with product qualification and volume production.

Key Technologies and Capabilities

Our principal technology capabilities span wireless connectivity, multimedia, low-power processing, AI and high-speed interconnect. We combine these capabilities across our product platforms and custom ASICs to address differing requirements for computing performance, power efficiency, connectivity, functionality and system integration.

Research and Development

Research and development is central to our strategy and our ability to sustain the competitiveness of our product platforms. Our principal research and development areas include AI accelerator ASICs, data center solutions, high-performance computing processors, next-generation wireless communication technologies for mobile, computing, IoT and automotive platforms, and power management technologies, as well as key technologies and IP that can be deployed across multiple product platforms.

In recent years, our research and development achievements include the following:

5G Flagship SoC	We have developed a next-generation 2nm flagship SoC, featuring agentic AI capabilities directly on-device, delivering enhanced processing performance and power efficiency.

Wi-Fi 7 and Wi-Fi 8	We continue our global connectivity leadership by rapidly scaling our Wi-Fi 7 across premium consumer and enterprise segments. Concurrently, our R&D teams have completed core IP milestones for Wi-Fi 8, focusing on ultra-high throughput and deterministic low latency to support future AI ecosystems.
AI Computing	We have co-developed with NVIDIA to launch DGX Spark and RTX Spark for AI workstation and PCs for agentic AI applications.
Automotive Solutions	With our Dimensity Auto platforms, we enable automakers to run complex, multi-modal AI models locally for next-generation smart vehicle applications by integrating our low-power computing and 5G/Wi-Fi connectivity technologies.
AI Accelerator ASIC	We have silicon-proven 224G SerDes IP with 448G SerDes and next-generation Die-to-Die interfaces in active development. By combining these high-speed IPs with 3.5D advanced packaging capabilities, we seek to deliver ASICs that maximize performance and optimize TCO for CSPs.

Our research and development capabilities include system architecture, IC and circuit design, wireless and wired connectivity, multimedia, AI, low-power computing, high-speed SerDes, advanced-node design and advanced packaging integration. Close collaboration between our IC design and system engineering teams supports the development of highly integrated SoCs and custom ASICs. We combine these capabilities to optimize performance, power efficiency and system-level integration across our product platforms and, in the case of custom ASICs, to address specific customer requirements.

As of June 30, 2026, we had 20,256 employees in research and development, representing 87.8% of our total workforce. In 2023, 2024, 2025 and the six months ended June 30, 2026, our research and development expenses were NT$111,384.9 million, NT$131,993.1 million, NT$148,306.4 million (US$4,656.4 million) and NT$77,705.9 million (US$2,439.7 million), respectively, representing 25.7%, 24.9%, 24.9% and 25.8% of our net sales.

Customers

We supply our products to customers worldwide, including customers in the United States, Taiwan, China, Japan, Korea and Europe. Our customers include global brands and technology companies, telecommunications operators and cloud service providers.

We work with customers throughout the product development and commercialization process, from product planning and design-in through product qualification, production ramp and commercialization. We provide regional technical and commercial support through our sales, marketing and engineering personnel and through MediaTek Online, our customer support portal, which provides customers with access to product information, technical documentation, e-learning resources and online inquiry functions.

Sales and Marketing

We sell and market our products through a combination of direct sales and distribution channels. Our global sales and marketing teams work closely with customers across our principal markets to understand their commercial and technical requirements, support product evaluation and design-in, and coordinate customer requirements with relevant internal teams to provide timely and tailored support.

Our commercial strategy focuses on maintaining and deepening long-term relationships with existing customers, broadening our customer base and collaborating with ecosystem partners to pursue opportunities in both established and emerging markets. We market our products, services and brand through a targeted, customer-oriented approach, including global technology meetings and conferences, international exhibitions, industry events and digital channels such as social media, our corporate websites and newsletters. These activities are designed to increase customer engagement, communicate the capabilities and applications of our products and solutions and enhance our brand visibility.

Supply Chain

As a fabless semiconductor company, we outsource wafer fabrication, assembly and testing to third-party foundries and OSAT service providers. We also work with selected technology partners, including third-party IP providers, in connection with product development and integration. We coordinate with these partners, as applicable, on process technology, production planning, capacity, product quality and delivery schedules. These relationships provide us with access to advanced technologies and manufacturing capabilities, support reliable production and delivery and enhance our ability to manage supply continuity and costs.

Beyond our manufacturing supply chain, we collaborate with globally leading technology partners to strengthen our custom silicon capabilities.

Foundry. We outsource wafer fabrication to third-party foundries. We select foundries and manufacturing processes based on performance, power, cost, capacity, quality and production requirements. Because each product is designed for a specific process, transferring production to another foundry generally requires additional engineering and qualification work.

Packaging and Assembly. Following wafer fabrication and wafer-level testing, functional dies are packaged by outsourced semiconductor assembly and test providers. We select service providers based on their technical capabilities, capacity, quality, delivery performance and cost, and monitor their performance through our supplier-management and quality-control processes.

Testing. We outsource wafer testing and final product testing to qualified testing and assembly providers. Wafer testing identifies non-functional dies before packaging, while final testing confirms that packaged products meet applicable functional, electrical, performance and reliability requirements. Test procedures and acceptance criteria vary by product, and our engineering teams work with service providers to monitor test results, address defects and maintain product quality.

Intellectual Property. We use internally developed technology and third-party intellectual property in our products. Depending on product requirements, we may license processor, memory, interface, analog and other design IP from third-party providers.

Intellectual Property

We rely on intellectual property to provide customers with products and services and maintain and strengthen our competitiveness in the industry. Currently, we rely on patents, trade secrets, copyrights, trademarks, contractual commitments and other legal rights to protect our intellectual property.

To protect our research and development achievements, we formulated an intellectual property management plan, aligned with our business objectives and implemented under a “global strategy, local execution” approach, encompassing patent portfolio development and supported by cross-departmental collaboration through a Patent Technology Committee, review and incentive mechanisms, and active participation in standard-setting organizations—trademark protection integrated with product naming and market strategy, and trade secret safeguards enforced through dedicated regulations, employee training, information security controls, and periodic reviews by an IP Information Management Committee. We are also actively pursuing patents in emerging fields such as 6G, Wi-Fi 8 (the next-generation wireless local area network technology based on IEEE 802.11bn), H.267 (the next-generation video coding technology under development following H.266/VVC), and AI, closely tying our filing strategy to technology and product roadmaps while monitoring the latest IP case law and regulatory developments to address potential operational risks.

We implement measures covering regulated conduct, personnel, restricted areas and employee education and training to prevent any misappropriation of our intellectual property. In addition, we avoid the dissemination of intellectual property and proprietary know-how by non-disclosure agreements, information security controls, confidentiality markings and licensing arrangements.

As of June 30, 2026, our patent portfolio covers regions including Taiwan, China, the United States, Europe, India, Japan, South Korea, Brazil, and South Africa, with the total number of patents exceeding 15,000. Our trademark applications and registrations are in regions including Taiwan, China, the United States, Europe, India, Japan, South Korea, Brazil, and South Africa, with the total number of registered trademarks worldwide amounting to over 540.

Competition

We operate in a highly competitive and rapidly evolving IC design industry, and the nature and intensity of competition vary across our product lines and end markets. Our focus on IC design, position in the IC industry value chain and well-established semiconductor support infrastructure and abundant talent pool support our ability to compete. Across our product businesses, we compete with IDMs and fabless IC design semiconductor companies. In our custom ASIC business, we compete with a range of custom silicon providers, including diversified semiconductor companies that offer platform-based custom silicon solutions, and companies focused principally on custom ASIC and SoC development. In addition, we face competition from other current or prospective customers that develop semiconductor products internally.

Facilities

Our principal executive office is located at No.1, Dusing 1st Rd., Hsinchu Science Park, Hsinchu, Taiwan, comprising approximately 150,405 square meters of owned premises. We also own and lease office facilities in various locations across Taiwan, China, Japan, the United Arab Emirates, South Korea, Singapore, India, the United States, the United Kingdom, Finland, Sweden, Germany, and Egypt. In addition, our principal affiliated companies, including Airoha Technology Corp., IC PLUS Corp., and Richtek Technology Corp., maintain their own headquarters in Hsinchu, Taiwan.

The following table sets forth the locations, approximate sizes and primary uses of our principal offices that are in operation. The table does not include facilities that are currently under construction.

Location	Status of Ownership	Approximate Building Area (*Square Meters*)	Primary Use
No.1, Dusing 1st Rd., Hsinchu Science Park, Hsinchu City 300096, Taiwan	Owned	150,405	Research, manufacturing and sales (Headquarters)
No.8, Dusing 1st Rd., Hsinchu Science Park, Hsinchu City 300, Taiwan	Owned	26,323	Research
No.11, Lixing 3rd Rd., Hsinchu Science Park, Hsinchu City 300, Taiwan	Owned	58,715	Research
No.5, Dusing Rd., Hsinchu Science Park, Hsinchu City 300, Taiwan	Owned	40,613	Research
8F, No.18, Tai-Yuen St., Chupei City 302, Hsinchu County, Taiwan	Owned	21,396	Research
8F, No.26, Tai-Yuen St., Chupei City 302, Hsinchu County, Taiwan	Owned	26,436	Research
5F, No.5, Tai-Yuen 1st St., Chupei City 302, Hsinchu County, Taiwan	Owned	32,314	Research
11F, No. 33, Huanke 1st Rd., Chupei City 302, Hsinchu County, Taiwan	Owned	15,297	Research
No. 15, Lane 91, Sec. 1, Neihu Rd., Neihu District, Taipei City 114, Taiwan	Owned	19,628	Research
No. 218, Ruiguang Rd., Neihu District, Taipei City 114, Taiwan	Owned	21,326	Research
No. 28, XingShan Rd., Neihu District, Taipei City 114, Taiwan	Owned	13,777	Research
No. 8, Tongke 9th Rd., Tongluo Township,	Owned	21,712	Research Data Center

Miaoli County 366003, Taiwan			
No.2, Dusing 1st Rd., Hsinchu Science Park, Hsinchu City 300, Taiwan	Leased	15,112	Research
5F, No. 101, Sec. 2, Gongdao 5th Rd., East Dist., Hsinchu City 300, Taiwan	Leased	8,760	Research
Rm. D421, 4F., No. 6, Sec. 1, Guiren 13th Rd., Guiren District, Tainan City 711, Taiwan	Leased	2,136	Research
No.1 Fusionopolis Walk, #03-01, Solaris, Singapore, 138628	Leased	8,011	Research, manufacturing and sales
2840 Junction Ave, San Jose, CA 95134, United States	Leased	9,005	Research, sales support and marketing services
500 SW 116th Ave, Beaverton, OR 97225, United States	Leased	10 seats	Research, sales support and marketing services
5914 West Courtyard Drive, Suite 400, Austin, TX 78730, United States	Leased	5,150	Research, sales support and marketing services
14432 SE Eastgate Way, Suite 110 (1st floor), Bellevue, WA 98007, United States	Leased	839	Research, sales support and marketing services
13480 Evening Creek Drive North, Suite 600, San Diego, CA 92128, United States	Leased	6,017	Research, sales support and marketing services
1 Ada, Suite 200, Irvine, CA 92618, United States	Leased	1,168	Research, sales support and marketing services
120 Presidential Way, Woburn, MA 01801, United States	Leased	2,660	Research, sales support and marketing services
2435 North Central Expressway, Suite 750, Richardson, TX 75080, United States	Leased	582	Research, sales support and marketing services
30 Independence Blvd., Suite 510, Warren, NJ 07059, United States	Leased	1,150	Research
1281 Win Hentschel Boulevard, Suite 2740, West Lafayette, IN 47906, United States	Leased	22	Research
Building 1-B, No. 6 Park, Jiuxianqiao Road, Chaoyang District, Beijing, China	Owned	21,298	Research
20F, Building C, Poly West Bund Center, No.275, RuiPing Road, Xuhui District, Shanghai, China	Owned	12,527	Research
Building No.4, Block No.1, Shenzhen Bay ECO-Technology Park, No.22 Gaoxin Nanhuan Road, Nanshan District, Shenzhen, China, 518063	Owned	25,022	Research
No.168, Tian Fu Five Street, Chengdu, China	Owned	44,078	Research
No.615 Wanshui Road, Hefei Hi-tech Industry Development Zone, Hefei, Anhui, China	Owned	27,833	Research
No.9, Jinronggang Rd.(No.2), East Lake High-tech Development Zone, Wuhan, China 430074	Owned	21,948	Research
Higashi Gotanda Square 9F, 2-10-2 Higashi Gotanda, Shinagawa-ku, Tokyo, 141-0022, Japan	Leased	1,086	Research and technical services
4F, Humax Village, 216, Hwangsaeul-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea 13595	Leased	2,263	Research
7F, Dodam bldg., 246, Hwangsaeul-ro, Bundang-gu, Seongnam-si, Gyeonggi-do, Republic of Korea 13595	Leased	3,473	Research
RMZ Ecoworld Infrastructure Pvt Ltd, (SEZ Building) Building-1, 4th&5th Floor, Sarjapur Marathahalli Outer Ring Road, Devarabesanhalli, Varthur Hobli, Bangalore-560103, Karnataka, India	Leased	31,706	Research
OYO Workspaces India Pvt Ltd, 14th Floor,	Leased	140	Research

Aurum QParc Tower-Q2, Thane-Belapur Road, Ghansoli, C/o OYOWIPL, Navi Mumbai, Thane, Maharashtra 400710, India			
3rd, 3rdM and 4th Floor, BPTP Capital City, Plot No. 2B, Sector 94, Noida - 201301, Uttar Pradesh, India	Leased	9,653	Research
Building 2010, Cambourne Business Park, Cambourne, Cambridge, CB23 6DW, United Kingdom	Leased	2,794	Research
County Gate One, Staceys Street, Maidstone, Kent, ME14 1ST, United Kingdom	Leased	678	Research
Elektroniikkatie 16, Oulu, Finland 90590	Leased	3,822	Research
Teknikringen 10, 583 30, Linköping, Sweden	Leased	784	Research
Kesselstrasse 5-7, 40221 Düsseldorf, Germany	Leased	434	Technical services
Building 47, North 90th Street, 5th Settlement, New Cairo, Cairo, Egypt	Leased	873	Research
P.O. Box 502337, Office No. 156, Building No. 17, Dubai Internet City, Dubai, U.A.E.	Leased	72	Technical services
Airoha Technology Corp.			
12F-14F., No. 12, Taiyuan 2nd St., Zhubei City, Hsinchu County 302082, Taiwan	Owned	20,274	Research, manufacturing and sales
IC PLUS Corp.			
8F.-10F., No. 47, Ln. 2, Sec. 2, Guangfu Rd., East Dist., Hsinchu City 30071, Taiwan	Owned	4,843	Research, manufacturing and sales
Richtek Technology Corp.			
No. 8, Taiyuan 1st St., Zhubei City, Hsinchu County 302082, Taiwan	Owned	23,438	Research, manufacturing and sales

We believe that our existing properties, whether owned or leased, are adequately maintained. As our operations develop, we may expand, relocate or consolidate our existing facilities, or establish additional facilities if further capacity is required.

Employees

As of June 30, 2026, we had 23,058 employees including 20,256 in research and development, 638 in manufacturing, 795 in sales and marketing and 1,369 in management. Approximately 79.3% of our employees held master's degrees or above, reflecting the technical expertise of our workforce.

The following table sets forth a breakdown of the number of our employees as of the dates indicated:

	As of December 31,			As of June 30,
	2023	2024	2025	2026
Management	1,240	1,286	1,280	1,369
Research and development	19,308	19,680	20,123	20,256
Sales and Marketing	770	792	794	795
Manufacturing	684	639	672	638
Total	**22,002**	**22,397**	**22,869**	**23,058**

We intend to recruit and develop talent globally in research and development, strategic planning and sales and marketing to expand our talent pool, including senior IC design engineers and system engineers. We believe that we maintain good relations with our employees without an active labor union.

Legal Proceedings

We may from time to time be involved in complaints, allegations, investigations or legal proceedings in the ordinary course of business. Such matters, whether or not with merit, may result in injunctions, indemnification

obligations or other significant expenditures. The outcomes of such matters are inherently uncertain, and defending against them may be costly and time-consuming.

As of the date of this offering circular, we are subject to legal or other disputes arising in the ordinary course of our business. Due to the nature and current status of these matters, we are unable to predict their outcomes at this stage, but we do not believe that any of these proceedings would have a material adverse effect on our business or financial condition as a whole.

Environmental, Social and Governance

We continue to commit to environmental sustainability, social inclusion and corporate governance. We believe that innovation can create value for customers, industries and society. Through our advanced technologies and environmental, social and governance ("ESG") initiatives, we are dedicated to driving positive change and contributing to a sustainable future.

Environmental

We recognize environmental conservation and climate action as important global priorities. Our goal is to fuse breakthrough innovation with sustainable action to create value for a brighter future. These priorities are addressed through initiatives implemented under our environmental management policies. We operate at the front end of the IC industry value chain. Externally, we maintain supply chain management processes for our third-party suppliers to identify and address operational and climate-related risks arising from raw material procurement, manufacturing, packaging and testing. Internally, we actively promote energy conservation, carbon reduction, green product design, water conservation and waste management. We aim to use 100% renewable energy for all offices, except for data centers, by 2030 and achieve net-zero emissions by 2050. Our continuous efforts in environmental management are a testament to our commitment to a smarter, greener and more sustainable future.

Corporate Social Responsibility

We have formed policies relating to corporate social responsibility to help us shape a diverse, equitable, and inclusive workplace. We are committed to protecting human rights and upholding diversity and inclusion by establishing a human rights policy and diversity, equity and inclusion frameworks. To ensure safety at work, we regularly hold evacuation drills, fire-extinguishing and first-aid training, and instructional sessions on occupational safety and health. We also aim to enhance employee healthcare and minimize health risks by offering health awareness, health management, health activities and healthy diet promotions.

Governance

We are committed to protecting stakeholders' interests by adopting corporate governance practices. We conduct integrity and legal-compliance training programs to ensure compliance with relevant laws and regulations. In addition, we adopt a zero-tolerance approach to corruption and bribery, unfair competition, intellectual property misappropriation and insider trading. We investigate reported misconduct, maintain appropriate records, provide feedback and impose disciplinary measures where warranted. We maintain procedures for emergencies at operational sites to address supply chain risks.

Cybersecurity

We maintain an information security management framework that covers our corporate information systems, product security and data security, including the protection of intellectual property information and customer data. Our information security policies are designed for maintaining the confidentiality, integrity and availability of information and to mitigate risks caused by unauthorized use, damage or disclosure of information, operational disruption and security or privacy vulnerabilities in our products. Our control framework incorporates defense-in-depth and preventive, detective, incident responses and recovery measures.

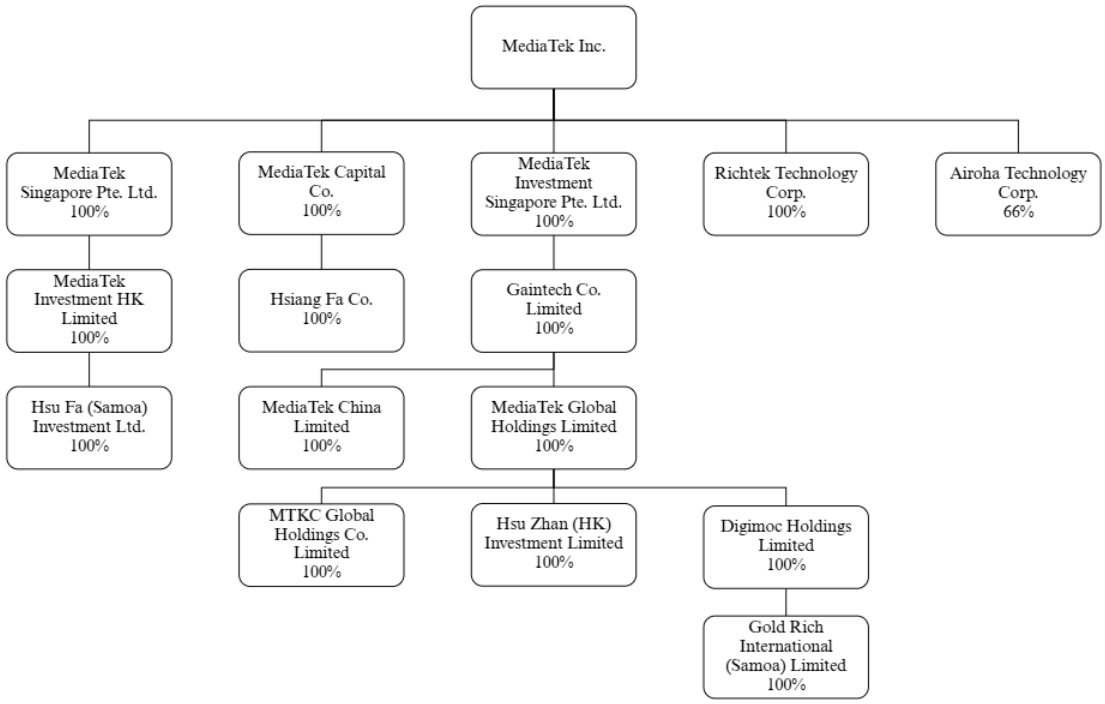
Our Information Security Committee reviews the implementation of our information security, product security and data security measures. The committee is chaired by Corporate Executive Vice President Cheng-Te Chuang, meets at least once every six months and may meet more frequently as needed for risk management. The committee chair reports to our board of directors annually regarding the implementation and review of our information security measures. In 2025, 306 employees were involved in information security management activities.

Our information security management system uses a plan-do-check-act model based on ISO/IEC 27001 and also informed by the Cybersecurity Framework published by the U.S. National Institute of Standards and Technology. We have implemented our information security management system which was certified by ISO/IEC 27001:2013 certification in 2022 and recertified by ISO/IEC 27001:2022 in 2025.

Our information security measures include identity and access management ("IAM"), antivirus software, endpoint protection, system patch management, email protection, intrusion detection, multi-factor authentication, penetration testing, vulnerability scanning, social-engineering simulations and red-team and blue-team exercises. We have established a security operations center that records, monitors and analyzes information security events. Our Cyber Security Incident Response Team is responsible for investigating information security incidents, proposing remedial measures and handling incident reporting and response in accordance with established procedures. We maintain data backup plans designed for restoring normal operations as quickly as practicable following an information security incident that affects our operations.

Corporate Structure and Subsidiaries

Set forth below is an organizational chart depicting the Company and its significant subsidiaries as of June 30, 2026:



The following table sets forth certain information regarding our significant subsidiaries as of June 30, 2026:

Name	Country of Incorporation	Shareholding Percentage
Gaintech Co. Limited	Cayman Islands	100%
MediaTek China Limited	Hong Kong	100%

MediaTek Singapore Pte. Ltd.	Singapore	100%
MediaTek Investment Singapore Pte. Ltd.	Singapore	100%
Richtek Technology Corp.	Taiwan	100%
Airoha Technology Corp.	Taiwan	66%[(1)]
Digimoc Holdings Limited	British Virgin Islands	100%
Gold Rich International (Samoa) Limited	Samoa	100%
MTKC Global Holdings Co. Limited	British Virgin Islands	100%
Hsu Zhan (HK) Investment Limited	Hong Kong	100%
MediaTek Investment HK Limited	Hong Kong	100%
MediaTek Global Holdings Limited	United Kingdom	100%
Hsiang Fa Co.	Taiwan	100%
MediaTek Capital Co.	Taiwan	100%
Hsu Fa (Samoa) Investment Ltd.	Samoa	100%

Note:
(1) An additional 4% ownership is held by MediaTek Capital Co., a wholly owned subsidiary of the Group. Accordingly, the Group holds an aggregate 70% ownership in Airoha Technology Corp.

MANAGEMENT

Directors

Our Articles of Incorporation provide for a board comprising five to nine directors and the number of independent directors shall not be less than three. We currently have nine directors, including five independent directors. The term of office for directors shall be three years, and directors (except for independent directors) may serve any number of consecutive terms. Each of our directors and executive officers listed below can be reached at our principal executive office located at No.1, Dusing 1st Road, Hsinchu Science Park, Hsinchu, 300096, the ROC.

Except as specifically noted, the following table contains certain information about each of our directors as of June 30, 2026.

Name	Age	Position	Position Since	Expiration Date of the Current Term	Number and Percentage of Shares Held as of June 30, 2026
Ming-Kai Tsai	76-80	Chairman	May 21, 1997	May 26, 2027	81,134,393[(1)] (5.06%)
Rick Tsai (Lih-Shyng Tsai)	71-75	Vice Chairman	June 15, 2017	May 26, 2027	872,950 (0.05%)
Joe Chen	56-60	Director	July 5, 2021	May 26, 2027	786,129[(2)] (0.05%)
Cheng-Yaw Sun	66-70	Director	June 13, 2012	May 26, 2027	29,244 (0.00%)
Chung-Yu Wu	76-80	Independent Director	June 13, 2012	May 26, 2027	648,118[(3)] (0.04%)
Peng-Heng Chang	71-75	Independent Director	June 13, 2012	May 26, 2027	-
Syaru Shirley Lin	56-60	Independent Director	May 31, 2023	May 26, 2027	-
Yao-Wen Chang	56-60	Independent Director	May 27, 2024	May 26, 2027	-
Hsiao-Wuen Hon	61-65	Independent Director	May 29, 2025	May 26, 2027	-

Note:
(1) Representing 41,798,248 shares held by Ming-Kai Tsai, and 39,336,145 shares beneficially held through his spouse and minor children.
(2) Representing 755,715 shares held by Joe Chen and 30,414 shares beneficially held through his spouse and minor children.
(3) Representing 236,000 shares held by Chung-Yu Wu and 412,118 shares beneficially held through his spouse and minor children.

Ming-Kai Tsai is our Chairman. He served as the president of the Second Business Group of United Microelectronics Corporation. Mr. Tsai obtained a master's degree in electrical engineering from the University of Cincinnati.

Rick Tsai is our Vice Chairman and Chief Executive Officer. He served as the chairman and chief executive officer of Chunghwa Telecom Co., Ltd. and the president and chief executive officer of Taiwan Semiconductor Manufacturing Co., Ltd. Mr. Tsai obtained a Ph.D. in materials science and engineering from Cornell University.

Joe Chen is a member of our board of directors, our President and Chief Operating Officer. He served as an engineer of Silicon Integrated Systems Corporation. Mr. Chen obtained a master's degree in electronics engineering from National Chiao Tung University.

Cheng-Yaw Sun is a member of our board of directors. He served as the managing director of China HP Co., Ltd. Mr. Sun obtained a Bachelor of Science degree from Chung Yuan Christian University of Taiwan.

Chung-Yu Wu is our independent director. He is also the chairman and chief technology officer of A-Neuron Electronic Corporation, an Emeritus Professor at National Yang Ming Chiao Tung University, an independent director of Powerchip Semiconductor Manufacturing Corporation, and the representative of a corporate director of Amazing Microelectronic Corporation. He served as the president of National Chiao Tung University. Mr. Wu obtained a Ph.D. in electronics engineering from National Chiao Tung University.

Peng-Heng Chang is our independent director. He is also the representative of a corporate director of BIG SUN Energy Technology Inc., the chairman of Chi-Kuang Solar Energy Corporation, the chairman of Ruei-Rih Solar Corporation, an independent director of VisEra Technology Co., Ltd., the chairman of Love and Joy Co., Ltd., and the representative of a corporate director of Ruei-Huel Solar Corporation. He served as the vice president of human resources, material management and risk management of Taiwan Semiconductor Manufacturing Co., Ltd. and the chairman of Motech Industries Inc. Mr. Chang obtained a Ph.D. in materials engineering from Purdue University.

Syaru Shirley Lin is our independent director. She is also a senior researcher at the White Burkett Miller Center of Public Affairs of the University of Virginia, the chairwoman of the Center for Asia-Pacific Resilience and Innovation, an adjunct professor at the Chinese University of Hong Kong, an independent director of TE Connectivity Ltd., an independent director of Goldman Sachs Asia Bank Limited (Hong Kong), and an independent director of Langham Hospitality Investments Limited (Hong Kong). She served as the managing director and partner of Goldman Sachs & Co. Ms. Lin obtained a Ph.D. in politics and public administration from the University of Hong Kong, a Master in International Public Affairs from the University of Hong Kong, and a Bachelor (cum laude) from Harvard University.

Yao-Wen Chang is our independent director. He is also a Distinguished Professor of the Department of Electrical Engineering and the Graduate Institute of Electronics Engineering at National Taiwan University, and a fellow of the Association for Computing Machinery and the Institute of Electrical and Electronics Engineers ("IEEE"). He served as the dean of the College of Electrical Engineering and Computer Science of National Taiwan University, the director of the Center for Information and Electronics Technologies of National Taiwan University, and the president of the Council on Electronic Design Automation of IEEE. Mr. Chang obtained a Ph.D. in computer science from the University of Texas at Austin and a B.S. from the Department of Computer Sciences and Information Engineering at National Taiwan University.

Hsiao-Wuen Hon is our independent director. He is also an independent director of Ambarella, Inc., a part-time advisor to Tola Capital and an IEEE Fellow. He served as the corporate vice president of Microsoft Corporation, the chairman of Microsoft Asia-Pacific Research and Development Group, the managing director of Microsoft Research Asia, and the technology director of the Apple-ISS Research Center of Apple Inc. Mr. Hon obtained a Ph.D. in computer science from Carnegie Mellon University and a B.S. in Electrical Engineering from National Taiwan University.

Board Practices

Audit Committee

Our Audit Committee consists of Chung-Yu Wu, Peng-Heng Chang, Syaru Shirley Lin, Yao-Wen Chang and Hsiao-Wuen Hon. Chung-Yu Wu is the chair of our Audit Committee. Our Audit Committee is responsible for the review of, among other things:

(a) establishment or amendments to internal control systems;

(b) assessment of the effectiveness of internal control systems;

(c) establishment or amendments to operating procedures for obtaining or disposing of assets, engaging in derivative transactions, external loans, endorsements and guarantees to other parties;

(d) matters relating to directors' personal interests;

(e) significant asset or derivative transactions;

(f) significant external loans, endorsements and guarantees to other parties;

(g) public offering, issuance, or private placement of equity-type securities;

(h) appointment, discharge, or remuneration of the certified public accountant;

(i) appointment or discharge of our financial, accounting or internal audit officers;

(j) annual and quarterly financial reports; and

(k) supervision of risk management.

Remuneration Committee

Our Remuneration Committee consists of Peng-Heng Chang, Chung-Yu Wu, Ji-Ren Lee and Hsiao-Wuen Hon. Peng-Heng Chang is the chair of our Remuneration Committee. Our Remuneration Committee is responsible for, among other things:

(a) establishment and regular review of the policies, systems, standards and structures for the performance evaluation and remuneration of directors and managers; and

(b) regular evaluation and determination of the remuneration of directors and managers.

Sustainability and M&A Strategy Committee

Our Sustainability and M&A Strategy Committee consists of Ming-Kai Tsai, Cheng-Yaw Sun, Chung-Yu Wu, Peng-Heng Chang, Syaru Shirley Lin, Yao-Wen Chang and Hsiao-Wuen Hon. Ming-Kai Tsai is the chair of our Sustainability and M&A Strategy Committee. Our Sustainability and M&A Strategy Committee is responsible for, among other things:

(a) oversight and supervision of the Company's major sustainable development policies; and

(b) strategic evaluation of the Group's M&A cases.

Executive Officers

The following table sets forth shareholding information relating to our principal executive officers:

Name	Position	Position Since	Number and Percentage of Shares Held as of June 30, 2026[1]
Ming-Kai Tsai	Chairman	May 21, 1997	81,134,393[2] (5.06%)
Rick Tsai	Vice Chairman and Chief Executive Officer	June 1, 2017	872,950 (0.05%)
Joe Chen	Director and President and Chief Operating Officer	July 1, 2012	786,129[3] (0.05%)
David Ku	Co-Chief Operating Officer, Corporate Executive Vice President, Chief Financial Officer and Spokesman	January 1, 2011	465,327 (0.03%)
Cheng-Te Chuang	Corporate Executive Vice President	April 7, 2009	1,191,576[4] (0.07%)
Kevin Jou	Corporate Executive Vice President and Chief Technology Officer	May 30, 2011	122,793 (0.01%)
Kou-Hung Loh	Corporate Senior Vice President	July 1, 2006	66,241 (0.00%)
Jerry Yu	Corporate Senior Vice President	February 16, 2015	209,154 (0.01%)
Jasper Yang	Corporate Senior Vice President	June 1, 2016	133,659 (0.01%)
SR Tsai	Corporate Senior Vice President	December 1, 2017	563,018[5] (0.04%)
JC Hsu	Corporate Senior Vice President	August 1, 2015	251,699[6] (0.02%)
Sherry Lin	Corporate Senior Vice President and Chief Human Resources Officer	June 1, 2016	266,793 (0.02%)
David Su	Corporate Senior Vice President and General Counsel	November 1, 2016	199,563 (0.01%)
Rolly Chang	Corporate Vice President	August 1, 2015	206,618 (0.01%)
Mike Chang	Corporate Vice President	January 1, 2019	193,509[7] (0.01%)
Vincent Yung Mien Hu	Corporate Senior Vice President	August 3, 2020	80,712 (0.01%)
Ching San Wu	Corporate Vice President	November 1, 2020	509,046[8] (0.03%)
Alan Hsu	Corporate Vice President	November 1, 2020	140,784[9] (0.01%)
Harrison Hsieh	Corporate Vice President	February 1, 2024	151,968 (0.01%)
Eric Lon Fisher	Corporate Vice President	February 1, 2024	68,923[10] (0.00%)
SA Hwang	Corporate Vice President	August 1, 2026	N/A[11]
Mingxi Fan	Corporate Vice President	August 1, 2026	N/A[11]
Ankireddy Nalamalpu	Corporate Vice President	August 1, 2026	N/A[11]

Note:
(1) Including shareholding by spouse and minors and through nominee arrangements.
(2) Representing 41,798,248 shares held by Ming-Kai Tsai, and 39,336,145 shares beneficially held through his spouse and minor children.
(3) Representing 755,715 shares held by Joe Chen and 30,414 shares beneficially held through his spouse and minor children.
(4) Representing 990,499 shares held by Cheng-Te Chuang and 201,077 shares beneficially held through his spouse and minor children.
(5) Representing 549,108 shares held by SR Tsai and 13,910 shares beneficially held through his spouse and minor children.
(6) Representing 251,689 shares held by JC Hsu and 10 shares beneficially held through his spouse and minor children.
(7) Representing 193,505 shares held by Mike Chang and 4 shares beneficially held through his spouse and minor children.
(8) Representing 494,642 shares held by Ching San Wu, 4,404 shares beneficially held through his spouse and minor children, and 10,000 shares beneficially held through nominee arrangements.
(9) Representing 138,762 shares held by Alan Hsu and 2,022 shares beneficially held through his spouse and minor children.
(10) Eric Lon Fisher's shareholding includes the allocated but not yet vested restricted stock award.
(11) Not applicable, as this officer had not yet assumed office as of June 30, 2026.

Ming-Kai Tsai is our Chairman. See "— Directors" above for his biographical details.

Rick Tsai is our Vice Chairman and Chief Executive Officer. See "— Directors" above for his biographical details.

Joe Chen is our President and Chief Operating Officer. See "— Directors" above for his biographical details.

David Ku is our Co-Chief Operating Officer, Corporate Executive Vice President, Chief Financial Officer and Spokesman. He is also a director (representative of MediaTek Inc.) of Airoha Technology Corp. He served as a vice president of JPMorgan Investment Bank. Mr. Ku obtained an MBA from the University of Illinois at Urbana-Champaign.

Cheng-Te Chuang is our Corporate Executive Vice President. He served as an engineer of United Microelectronics Corporation. Mr. Chuang obtained a master's degree in electronics engineering from National Chiao Tung University.

Kevin Jou is our Corporate Executive Vice President and Chief Technology Officer. He served as a vice president of Qualcomm Inc. and the chief technology officer of Qualcomm China. Mr. Jou obtained a Ph.D. in electrical engineering from the University of Southern California.

Kou-Hung Loh is our Corporate Senior Vice President. He was the founder and chief executive officer of Silicon Bridge Inc. Mr. Loh obtained a Ph.D. in electrical engineering from Texas A&M University.

Jerry Yu is our Corporate Senior Vice President. He served as a technical manager at Lian Ji Technology Co., Ltd. Mr. Yu obtained a master's degree in electrical engineering from National Taiwan University.

Jasper Yang is our Corporate Senior Vice President. He served as the chief representative of United Microelectronics Corporation's Shanghai representative office. Mr. Yang obtained a bachelor's degree in electrical engineering from National Tsing Hua University.

SR Tsai is our Corporate Senior Vice President. He served as a section chief of Key Technology Corporation. Mr. Tsai obtained a master's degree in mechanical engineering from National Taiwan University.

JC Hsu is our Corporate Senior Vice President. Mr. Hsu obtained a Ph.D. in power mechanical engineering from National Tsing Hua University.

Sherry Lin is our Corporate Senior Vice President and Chief Human Resources Officer. She served as the human resources director of Taiwan Semiconductor Manufacturing Co., Ltd. Ms. Lin obtained a master's degree in industrial relations and human resources from Rutgers University.

David Su is our Corporate Senior Vice President and General Counsel. He served as a senior program director at Taiwan Semiconductor Manufacturing Co., Ltd. Mr. Su obtained an S.J.D. from the University of Wisconsin-Madison.

Rolly Chang is our Corporate Vice President. He served as a technical specialist of the National Chung-Shan Institute of Science and Technology. Mr. Chang obtained a master's degree in communications engineering from National Chiao Tung University.

Mike Chang is our Corporate Vice President. He served as an executive vice president of MStar Semiconductor, Inc. Mr. Chang obtained a Ph.D. in electrical engineering from National Tsing Hua University.

Vincent Yung Mien Hu is our Corporate Senior Vice President. He served as a vice president of Intel Corporation. Mr. Hu obtained an MBA in marketing and entrepreneurship from the University of California, Los Angeles, and a master's degree in electrical engineering from the University of Southern California.

Ching San Wu is our Corporate Vice President. He served as a project manager at Macronix International

Co., Ltd. Mr. Wu obtained a master's degree in electronics engineering from National Chiao Tung University.

Alan Hsu is our Corporate Vice President. He served as a senior engineer at Phoenixtec Power Co., Ltd. Mr. Hsu obtained a master's degree in control engineering from National Chiao Tung University.

Harrison Hsieh is our Corporate Vice President. Mr. Hsieh obtained a master's degree in computer science and information engineering from National Taiwan University.

Eric Lon Fisher is our Corporate Vice President. He served as a senior vice president of worldwide sales and applications at Acacia Communications Inc., and a vice president of sales for the Americas and global key accounts at Intel Corporation. Mr. Fisher obtained an MBA from the University of California, Irvine.

SA Hwang is our Corporate Vice President. He served as a General Manager of Design Technology Functional Unit at MediaTek Inc. Mr. Hwang obtained a Ph.D. in electronics engineering from National Tsing Hua University.

Mingxi Fan is our Corporate Vice President. He served as a Head of Strategy at XCOM Labs, and a Vice President of Engineering at Qualcomm Incorporated. Mr. Fan obtained a Ph.D. in electronics engineering from Massachusetts Institute of Technology.

Ankireddy Nalamalpu is our Corporate Vice President. He served as an Intel Technical Fellow – Data Center and AI Group at Intel Corporation. Mr. Nalamalpu obtained a master's degree in electrical and computer engineering from the University of Massachusetts, Amherst.

Compensation

The aggregate remuneration paid and benefits in kind granted by us to our directors in their capacity as such in 2023, 2024 and 2025 was NT$123.9 million, NT$123.8 million and NT$125.9 million (US$4.0 million), respectively.

The aggregate remuneration paid and benefits in kind granted by us to our executive officers in their capacity as such in 2023, 2024 and 2025 was NT$1,975.7 million, NT$3,259.7 million and NT$2,199.8 million (US$69.1 million), respectively.

There are no outstanding loans granted by us to any of the directors or executive officers and there are no outstanding guarantees provided by us for the benefit of any of the directors or executive officers. In addition, there have been no transactions effected by us where the interests of our directors, executive officers or other members of our administrative, management and supervisory bodies were involved, which were unusual in their nature or conditions, in 2025 and the current fiscal year.

PRINCIPAL SHAREHOLDERS

The following table sets forth certain information with respect to the ten largest shareholders of MediaTek Inc. as of July 13, 2026.

Ranking	Shareholders	Number of Shares	Percentage of Shares
1	New Labor Pension Fund Management Committee	50,539,191	3.15%
2	Ming-Kai Tsai	41,798,248[(1)]	2.61%
3	Government of Singapore	41,218,073	2.57%
4	Chui-Hsing Lee	39,336,145[(2)]	2.45%
5	Yuanta/P-shares Taiwan Top 50 ETF	32,023,257	2.00%
6	Jyh-Jer Cho	29,064,222[(3)]	1.81%
7	Norges Bank Investment Management	24,231,067	1.51%
8	The Vanguard Group, Inc.	21,583,239	1.35%
9	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	20,414,148	1.27%
10	Tin-Ren Liu	19,649,763	1.23%

Note:
(1) Representing Shares held by Ming-Kai Tsai. Chui-Hsing Lee, the spouse of Ming-Kai Tsai, held 39,336,145 Shares, representing 2.45% of our issued and outstanding Shares.
(2) Representing Shares held by Chui-Hsing Lee. Ming-Kai Tsai, the spouse of Chui-Hsing Lee, held 41,798,248 Shares, representing 2.61% of our issued and outstanding Shares.
(3) Representing Shares held by Jyh-Jer Cho. 10,558,414 Shares, representing 0.66% of our issued and outstanding Shares, were held by his spouse and minor children.

Each of our Shares has one vote, and none of our shareholders have any different voting rights.

CHANGES IN ISSUED SHARE CAPITAL

According to our Articles of Incorporation, we only have Common Shares. As of the date of this offering circular, our authorized share capital registered with the MOEA was NT$20,000,000,000, and our paid-in share capital was NT$16,049,526,130, divided into 1,604,952,613 Common Shares with a par value of NT$10.00 per share. All issued Shares are in registered form.

The following table sets forth the changes in our issued share capital for the last three fiscal years through the date of this offering circular:

Date	Description	Change in the number of issued Shares	Number of total issued Shares after change
February 2023	Cancellation of restricted stock award	-19,344	1,599,427,259
	Exercise of employee stock options	11,276	
March 2023	Issuance of restricted stock award	201,938	1,599,629,197
May 2023	Cancellation of restricted stock award	-39,207	1,599,645,032
	Exercise of employee stock options	55,042	
August 2023	Cancellation of restricted stock award	-137,903	1,599,507,129
November 2023	Issuance of restricted stock award	160,929	1,599,647,517
	Cancellation of restricted stock award	-20,541	
February 2024	Cancellation of restricted stock award	-24,096	1,599,623,421
May 2024	Cancellation of restricted stock award	-279,293	1,599,344,128
August 2024	Cancellation of restricted stock award	-9,193	1,599,334,935
September 2024	Issuance of restricted stock award	2,359,347	1,601,694,282
November 2024	Cancellation of restricted stock award	-6,292	1,601,687,990
February 2025	Cancellation of restricted stock award	-25,639	1,601,662,351
May 2025	Cancellation of restricted stock award	-4,349	1,601,658,002
August 2025	Cancellation of restricted stock award	-9,584	1,601,648,418
September 2025	Issuance of restricted stock award	2,280,132	1,603,928,550
November 2025	Cancellation of restricted stock award	-16,368	1,603,912,182
February 2026	Cancellation of restricted stock award	-7,892	1,603,904,290
May 2026	Cancellation of restricted stock award	-8,883	1,603,895,407
August 2026	Cancellation of restricted stock award	-16,187	
	Issuance of restricted stock award	1,073,393	1,604,952,613

TRANSACTIONS WITH RELATED PARTIES

From time to time, we have engaged in a variety of transactions with our related parties. There are no significant differences in prices and trading terms between transactions with our related parties and arm's-length transactions with independent third parties. Set forth below is a summary of certain significant related-party transactions during the periods indicated. The summary below does not purport to describe all related-party transactions reflected in our consolidated financial statements. For a complete presentation of our related-party transactions on a consolidated basis, including related-party transactions not separately summarized below, see Note 7 to our consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 and unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026. The transactions among us and our subsidiaries were eliminated during the consolidation process.

Sales

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, we recognized revenue from sales to our related parties in the aggregate amount of NT$239.1 million, NT$438.5 million, NT$843.3 million, NT$320.5 million and NT$529.6 million, respectively, among which the amounts of transactions with Intelligo Technology Inc. and its subsidiaries were NT$25.8 million, NT$109.5 million, NT$470.9 million, NT$137.4 million and NT$408.2 million, respectively, the amounts of transactions with ASIX Electronics Corporation were NT$108.2 million, NT$223.7 million, NT$267.1 million, NT$128.7 million and NT$121.1 million, respectively, and the amounts of transactions with Sigmastar Technology Ltd. and its subsidiaries were NT$97.5 million, NT$99.5 million, NT$105.3 million, NT$54.4 million and nil, respectively. These sales consisted of sales of goods, services and other operating revenue.

IC Testing, Experimental Services and Manufacturing Technology Services

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, we procured IC testing, experimental services and manufacturing technology services from King Yuan Electronics Co., Ltd. and its subsidiaries in the aggregate amount of NT$6,824.5 million, NT$7,780.8 million, NT$8,507.5 million, NT$3,768.4 million and NT$3,537.6 million, respectively.

Operating Expenses

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, we paid operating expenses, mainly license expenses, to related parties in the aggregate amount of NT$63.0 million, NT$236.4 million, NT$117.7 million, NT$74.6 million and NT$114.1 million, respectively, among which the amounts paid to Intelligo Technology Inc. and its subsidiaries were NT$54.1 million, NT$119.1 million, NT$112.2 million, NT$71.8 million and NT$55.3 million, respectively, and the amounts paid to King Yuan Electronics Co., Ltd. and its subsidiaries were NT$5.2 million, NT$107.2 million, NT$5.2 million, NT$2.6 million and NT$2.2 million, respectively.

Receivables and Payables

Due to our transactions with our related parties, we generated certain receivables and payables.

As of December 31, 2023, 2024 and 2025 and June 30, 2025 and 2026, trade receivables from related parties amounted to NT$53.5 million, NT$40.7 million, NT$62.7 million, NT$63.2 million and NT$82.2 million, respectively, among which the amounts due from Intelligo Technology Inc. and its subsidiaries were NT$3.4 million, NT$2.2 million, NT$44.2 million, NT$15.5 million and NT$61.6 million, respectively, the amounts due from ASIX Electronics Corporation were NT$33.9 million, NT$13.7 million, NT$18.5 million, NT$18.3 million and NT$20.6 million, respectively, and the amounts due from Sigmastar Technology Ltd. and its subsidiaries were NT$16.2 million, NT$24.8 million, nil, NT$29.4 million and nil, respectively.

As of June 30, 2025 and 2026, other receivables from related parties amounted to NT$95.5 million and NT$39.7 million, respectively, among which the amounts due from ASIX Electronics Corporation were NT$37.2

million and NT$39.7 million, respectively, and the amounts due from M.I.F.L.P. were NT$58.3 million and nil, respectively. There were no other receivables from related parties as of December 31, 2023, 2024 and 2025.

As of December 31, 2023, 2024 and 2025 and June 30, 2025 and 2026, trade payables to related parties amounted to NT$1,919.7 million, NT$2,041.2 million, NT$2,539.9 million, NT$2,078.8 million and nil, respectively, substantially all of which were due to King Yuan Electronics Co., Ltd. and its subsidiaries.

As of December 31, 2023, 2024 and 2025 and June 30, 2025 and 2026, other payables to related parties amounted to NT$108.6 million, NT$61.7 million, NT$347.1 million, NT$43.1 million and NT$160.1 million, respectively, among which the amounts due to Intelligo Technology Inc. and its subsidiaries were NT$105.7 million, NT$54.1 million, NT$62.3 million, NT$41.9 million and NT$148.7 million, respectively, and the amounts due to Vidaxio LLC were nil, nil, NT$248.4 million, nil and nil, respectively.

Key Management Personnel Compensation

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, the compensation of our key management personnel amounted to NT$2,534.0 million, NT$3,746.9 million, NT$2,940.6 million, NT$1,274.8 million and NT$1,228.8 million, respectively, among which short-term employee benefits were NT$2,073.2 million, NT$3,483.8 million, NT$2,489.2 million, NT$1,104.4 million and NT$1,054.9 million, respectively, share-based payments were NT$449.1 million, NT$260.2 million, NT$447.1 million, NT$168.0 million and NT$171.7 million, respectively, and post-employment benefits were NT$11.7 million, NT$2.9 million, NT$4.3 million, NT$2.4 million and NT$2.2 million, respectively.

Other Related-Party Transactions

In 2023, 2024, 2025 and the six months ended June 30, 2025 and 2026, we acquired software from related parties in the aggregate amounts of NT$16.0 million, NT$111.5 million, NT$185.2 million, NT$65.7 million and NT$63.4 million, respectively, among which the amounts of software acquired from Intelligo Technology Inc. and its subsidiaries were NT$16.0 million, NT$111.5 million, NT$154.9 million, NT$65.7 million and NT$63.4 million, respectively, and the amounts of software acquired from Gear Radio Limited and its subsidiaries were nil, nil, NT$30.3 million, nil and nil, respectively.

In 2023 and 2026, we acquired equipment and testing equipment from King Yuan Electronics Co., Ltd. and its subsidiaries in the amount of NT$214.5 million and NT$0.9 million.

In 2025, we acquired approximately 3% of King Long Technology (Suzhou) Ltd. from KYEC Microelectronics Co., Ltd., a subsidiary of King Yuan Electronics Co., Ltd., for US$25.0 million. In 2025, we also commissioned research design services from Gear Radio Limited and its subsidiaries in the amount of NT$18.7 million, which was recorded as prepayments.

In the six months ended June 30, 2026, we acquired an investment accounted for using the equity method in a subsidiary of AMobile Intelligent Corp. Limited in the amount of NT$108.3 million.

In the six months ended June 30, 2026, we disposed of financial assets to Core Evergreen Limited in the amount of US$3.0 million.

DESCRIPTION OF SHARE CAPITAL

Set forth below is a summary of information relating to our share capital including brief summaries of the relevant provisions of our Articles of Incorporation, the ROC Securities and Exchange Act and the ROC Company Act, all as currently in effect.

General

As of the date of this offering circular, our authorized share capital registered with the MOEA was NT$20,000,000,000, and our paid-in share capital was NT$16,049,526,130, divided into 1,604,952,613 Common Shares with a par value of NT$10.00 per share. Any change in the authorized share capital of a public company limited by shares, such as us, requires an amendment to our Articles of Incorporation (which requires approval at a shareholders' meeting).

Authorized but unissued shares may also be issued at such times and, subject to the provisions of the applicable laws and the approval of, or registration with, the MOEA and the FSC, upon terms that our board of directors may determine.

Dividends and Distributions

Dividend payments and distributions are generally governed by the ROC Company Act as well as our Articles of Incorporation.

Pursuant to our Articles of Incorporation and applicable ROC laws and regulations, we may distribute profits or make up losses on a half-yearly basis after the close of each half fiscal year. Except as otherwise permitted under the ROC Company Act, including distributions of cash dividends from legal reserve or capital reserve, we are generally not permitted to distribute dividends or make other distributions to shareholders unless we have distributable profits. Before we can distribute profits, we must estimate and reserve for taxes payable, offset our losses in accordance with applicable laws and regulations, and set aside 10% of the remaining profits as legal reserve, unless our accumulated legal reserve has reached the amount of our paid-in capital. In addition, we must set aside or reverse a special reserve in accordance with relevant laws or regulations or as requested by the competent authorities. For any distribution of profits for the first half of a fiscal year, we must also estimate and reserve employee compensation and remuneration to directors in accordance with applicable laws and regulations and our Articles of Incorporation.

Since we are in an industry in a growth phase, our dividend policy takes into consideration factors such as our current and future investment environment, capital requirements, domestic and overseas competition and capital budgeting plans, with a view to striking a balance between shareholders' interests and our long-term financial plans. After considering financial, business and operational factors, we may distribute up to all of our distributable profits. Dividends to shareholders may be paid in cash or in shares, provided that cash dividends shall not be less than 10% of total dividends to shareholders.

In addition to permitting dividends to be paid out of net income, if we do not have losses, the ROC Company Act permits us to make distributions in cash or in stock to our shareholders from the legal reserve and capital surplus derived from premiums on share issuances and from gifts received. However, the portion payable out of our legal reserve is limited to the portion that the accumulated legal reserve exceeds 25% of our paid-in capital. Under the ROC Civil Code, the statute of limitation for dividend payments is five years.

Our Articles of Incorporation provide that if there is any profit for a specific fiscal year, such profit will be allocated in accordance with the following, once the Company's accumulated losses have been covered:

(i) No less than 1% of profit shall be allocated as employees' compensation, with no less than 50% of the amount so allocated to be allocated to non-executive employees. Employees' compensation may be distributed in the form of shares or in cash. The qualification requirements of employees,

including employees from subordinated companies who are entitled to receive compensation, shall be determined by the board of directors.

(ii) No more than 0.5% of profit shall be allocated as remuneration to directors, payable in cash.

Pre-emptive Rights

According to the ROC Company Act, when a company issues new common shares for cash, 10% to 15% of the issue must be offered to its employees. In addition, the ROC Securities and Exchange Act and the relevant securities regulations require that, if a public company listed on the TWSE or whose shares are traded on the TPEx (formerly known as GreTai Securities Market) intends to offer new shares for cash, at least 10% of the issue must be offered to the public, except under certain circumstances or when exempted by the FSC. This percentage can be increased by a resolution passed at a shareholders' meeting, thereby reducing the number of new shares subject to the pre-emptive rights of existing shareholders. Unless the percentage of shares to be offered to the public is increased by the shareholders, existing shareholders who are listed on the shareholders' register as of the record date have a pre-emptive right to acquire the remaining 75% to 80% of the issue. The shares not subscribed for by the employees and shareholders at the expiration of the period for the exercise of their rights may be sold to the public or specified persons at the direction of our board of directors. The pre-emptive rights provisions will not apply to certain circumstances set forth under the ROC Securities and Exchange Act and the ROC Company Act, such as an offering of new shares through a private placement approved at a shareholders' meeting.

Meetings of Shareholders

Meetings of our shareholders may be annual shareholders' meetings or extraordinary shareholders' meetings. Annual shareholders' meeting shall be duly convened within six months following the end of each fiscal year.

Extraordinary shareholders' meetings may be convened when necessary in accordance with laws and regulations.

If so specified in the articles of incorporation of a company, shareholders' meetings may be convened via virtual meetings or through other methods announced by the competent authority.

Electronic copies of meeting notices, the form of proxy, and materials of all proposals shall be posted on MOPS no less than 30 days before the annual shareholders' meeting and no less than 15 days before the extraordinary shareholders' meeting.

Voting Rights

Our Articles of Incorporation provides that holders of Shares have one vote for each Share. Except as otherwise provided by applicable laws, a resolution can be adopted by holders of a majority of the Shares represented at a shareholders' meeting at which the holders of a majority of all issued and outstanding Shares are present. According to our Articles of Incorporation, the directors (including independent directors) shall be nominated by adopting the candidate nomination system specified in the ROC Securities and Exchange Act and the ROC Company Act. In an election of directors, the holders of Shares shall elect directors from the list of nominated candidates by the Company.

As a public company listed on the TWSE, in order for us to approve certain major corporate actions, including any amendment to our Articles of Incorporation, entering into, modifying or terminating any contracts regarding leasing of all business, outsourcing of operations or joint operations, the dissolution or amalgamation or spin-off, the transfer of the whole or a substantial part of our business or our property, the taking over of the whole business or property of any other entity which would have a significant impact on our operations, removal of directors, the distribution of any stock dividend, the exemption of non-compete restriction imposed on directors or the application for ceasing to be a public company, a resolution must be adopted by a shareholders' meeting convened with a quorum of holders of at least two-thirds of all issued and outstanding Shares at which the holders of

at least a majority of the shares represented at the meeting vote in favor of the resolution. Alternatively, such a resolution may be adopted by the shareholders' meeting convened with a quorum of holders of at least a majority of all issued and outstanding Shares at which the holders of at least two-thirds of the shares represented at the meeting vote in favor of the resolution. Termination of listing on the TWSE (including certain statutory transactions under the Business Mergers and Acquisitions Act that results in termination of listing thereon) requires the affirmative vote of holders of at least two-thirds of all issued and outstanding Shares.

A shareholder unable to attend the shareholders' meeting in person may vote by proxy with a duly executed appointment form issued by us specifying the authorized powers.

Registration of Shareholders

With respect to shareholders who have opened book-entry accounts at Taiwan Depository & Clearing Corporation ("TDCC"), our register of such shareholders is maintained by the database of TDCC. With respect to shareholders who have not opened TDCC book-entry accounts, we currently maintain the register of our shareholders through the Corporate Trust Operation and Service Department of CTBC Bank Co., Ltd. at 5F., No. 83, Section 1, Chung-Ching South Road, Zhongzheng District, Taipei City 100, ROC and enter transfers of these Shares in our register of shareholders upon presentation of the certificates in respect of the Shares transferred accompanied by other required documents.

For the purpose of determining certain rights, including rights to dividends attached to the Shares, the registration for transfer of Shares shall be suspended for a period of sixty days immediately before the date of annual shareholders' meeting, thirty days immediately before the date of extraordinary shareholders' meeting, and five days before the record date fixed by the Company for distribution of dividend, bonus, or any other benefit.

Annual Financial Statements

Under the ROC Company Act, ten days before our annual shareholders' meeting, the statements and records of accounts prepared by the board of directors and the report approved by the audit committee must be made available at our registered office in Hsinchu City for inspection by our shareholders. The shareholders may bring their lawyers or certified public accountants for such an inspection. According to the regulations of the FSC, we are required to publish our annual and quarterly financial statements on a consolidated basis.

Transfer of Shares

The transfer of shares in registered form is effected by endorsement and delivery of the related share certificates. However, settlement of trading of shares of a listed company, such as our company, is generally carried out on the book-entry system maintained by TDCC. In order to assert shareholder rights against us, the transferee must have its name and address registered on our register of shareholders. Shareholders are required to file their respective specimen seals, also known as chops, with our share registrar.

Repurchase of Shares by Us

With minor exceptions, we cannot acquire our own Shares under the ROC Company Act.

Under the ROC Securities and Exchange Act, we may, by resolution adopted by a majority of our board of directors at a meeting where more than two-thirds of the directors are present, repurchase the Shares on the TWSE or by a tender offer in accordance with the procedures prescribed by the FSC for the following purposes:

- to transfer to our employees;
- for delivery upon conversion of bonds with warrants, preferred shares with warrants, convertible bonds and convertible preferred shares or certificates of warrants issued by us into capital stock; or

- if necessary, to maintain our credit and shareholders' equity, provided that the Shares so repurchased shall be canceled thereafter.

The total number of Shares repurchased by us may not exceed 10% of our total issued and outstanding Shares. In addition, the total cost of the purchased Shares may not exceed the aggregate amount of our retained earnings, any premium from share issuance and the realized portion of our capital reserve. Shares repurchased in the first two instances mentioned above are to be transferred to the intended transferees within five years from the repurchase, failing which they will be canceled and we are required to complete an amended registration for the cancellation. In the third instance mentioned above, the Shares repurchased by us must be canceled, and we shall complete an amended registration for such cancellation within six months after the repurchase. The Shares repurchased by us may not be pledged or hypothecated. In addition, we may not exercise any of the shareholder's rights attached to these Shares. Our affiliates, as defined in Article 369-1 of the ROC Company Act, directors, managers, shareholders holding more than 10% of our Shares and their respective spouses and minor children and nominees, are prohibited from selling the Shares until our repurchase period has lapsed.

Liquidation Rights

Pursuant to the ROC Company Act, in the event of our liquidation, the remaining assets after payment of all debts, liquidation expenses, taxes and distribution to holders of preferred shares, if any, will be distributed pro rata to the holders of Shares in accordance with the relevant provisions of the ROC Company Act unless our Articles of Incorporation provides special treatment for preferred shares, if any.

Substantial Shareholders and Transfer Restrictions

Our directors, managers and shareholders (each together with his or her spouse, minor children or nominees) holding more than 10% of our Shares are required to report to us, on a monthly basis, any changes in their shareholding in us. The number of Shares that they may sell or transfer on the TWSE on any given day is limited by ROC laws. In addition, they may only sell or transfer such Shares on the TWSE at least three days after they have filed a notification with the FSC in connection with such sale or transfer, provided that such notification is not required if the number of Shares to be sold or transferred does not exceed 10,000. A person who individually or together with other persons (as defined under the FSC regulations) acquires more than 5% of our issued and outstanding shares shall report to the FSC, within ten days from the acquisition date, the acquisition purpose, funding sources and other information required by the FSC.

Rights to Bring Shareholder Suits

Under the ROC Company Act, a shareholder may bring a suit against us in the following events:

Within 30 days after the date of the shareholders' meeting, any shareholder has the right to annul any resolution adopted at a shareholders' meeting where the procedures or the method of resolution were or was legally defective. However, if the court is of the opinion that such violation is not material and does not affect the result of the resolution, the court may reject or dismiss the shareholder's lawsuit.

If the substance of a resolution adopted at a shareholders' meeting contradicts any applicable law or regulation or our Articles of Incorporation, a shareholder may bring a suit to determine the validity of such resolution.

Shareholders may bring a suit against our directors under the following circumstances:

Shareholders who have continuously held 1% or more of the total number of issued and outstanding shares for a period of six months or longer may request in writing that the audit committee institute an action against a director on our behalf. In case the audit committee fails to institute an action within 30 days after receiving such request, the shareholders may institute an action on our behalf. In the event that shareholders institute an action, a court may, upon application of the defendant, order such shareholders to furnish appropriate security.

Shareholders holding 3% or more of the total number of issued and outstanding shares may institute an action with a court to remove a director who has materially violated the applicable laws or our Articles of Incorporation or has materially damaged our interests if a resolution for removal on such grounds has first been voted on and rejected by the shareholders and such suit is filed within 30 days of such shareholders' meeting.

In the event that any director, officer or shareholder holding more than 10% of the issued and outstanding shares and their respective spouse and minor children and/or nominees sells shares within six months after the acquisition of Shares, or repurchases Shares within six months after any sale of Shares, we may make a claim for recovery of any profits realized from the sale and purchase. If our board of directors or audit committee fails to make a claim for recovery, any shareholder may request our board of directors or audit committee to make such claim within 30 days. After such 30-day period, the requesting shareholder will have the right to make a claim for such recovery, and our directors will be jointly and severally liable for damages suffered by us as a result of their failure to exercise the right of claim.

Other Rights of Shareholders

Under the ROC Company Act and the Business Mergers and Acquisitions Act, dissenting shareholders are entitled to appraisal rights in the event of merger, spin-off and various other major corporate actions. A dissenting shareholder may request us to redeem all of the shares owned by such shareholder at a fair price to be determined by mutual agreement. If an agreement cannot be reached, the valuation will be determined by a court order.

In addition, one or more shareholders who have held 3% or more of our issued and outstanding Shares for one year or more may require our board of directors to convene an extraordinary shareholders' meeting by sending a written request to our board of directors. Furthermore, shareholders holding over 50% of our issued and outstanding Shares for a period of three months or longer may convene our extraordinary shareholders' meeting by themselves.

The ROC Company Act allows shareholders holding 1% or more of the total issued shares of a company to submit, during the period of time prescribed by the company, one proposal in writing for discussion at the annual shareholders' meeting. The ROC Company Act also provides that a company may adopt a nomination procedure for election of directors or supervisors. If a company wishes to adopt the nomination procedure, it must be stipulated in its articles of incorporation. With such provision in the articles of incorporation of a company, shareholders representing 1% or more of the total issued shares of such company may submit a candidate list along with relevant information and supporting documents to the company within the period prescribed by the company. All TWSE and TPEx listed companies shall adopt nomination mechanisms for election of directors from January 1, 2025. Our Articles of Incorporation currently offer such nomination procedure.

DESCRIPTION OF THE BONDS

The Bonds are to be issued under an indenture, to be dated as of September 8, 2026 (the "Indenture"), between MediaTek Inc. (the "Issuer" or the "Company") and The Bank of New York Mellon, London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability and operating through its branch in London at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom, in its capacity as trustee (the "Trustee", which expression shall include its successor(s) and all persons for the time being the trustee or trustees under the Indenture). The following summary of certain provisions of the Bonds and the Indenture does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Bonds and Indenture, including the definitions of certain terms therein. Whenever particular Sections or defined terms of the Indenture not otherwise defined herein are referred to, such Sections or defined terms are incorporated herein by reference. Copies of the Indenture will be available for inspection by any Holder (as defined below) on or after the Closing Date (as defined below) at the office of the Trustee on any weekday (excluding public holidays) during normal office hours (being between 9:00 a.m. (London time) and 3:00 p.m. (London time)) upon prior written request and satisfactory proof of holding and identity to the satisfaction of the Trustee.

General

Except in certain limited circumstances, the Bonds will only be issued in book-entry form.

The Bonds will be issued on or about September 8, 2026 (the date on which the Bonds are issued under the Indenture being referred to herein as the "Closing Date") as direct, unconditional, unsecured and unsubordinated obligations of the Issuer limited in aggregate principal amount to US$3,900,000,000 and will be redeemed on September 8, 2031 (the "Maturity Date") unless earlier redeemed, repurchased and canceled or converted pursuant to the terms thereof and of the Indenture.

The Bonds will not bear interest.

Each Bond will be convertible into the Common Shares (as defined below), subject to compliance with certain conditions and procedures (see "— Conversion — Procedures; Conversion Notice; Taxes and Duties" below), at the Holder's election on any Business Day (as defined below) during the period (the "Conversion Period") commencing at 9:00 a.m. (London time) on December 9, 2026 (the next day immediately after the end of a three-month period following the Closing Date) and ending at 3:00 p.m. (London time) at the location of the Conversion Agent (as defined below) on (i) August 29, 2031 (the tenth (10th) day prior to the Maturity Date) or (ii) the fifth (5th) Business Day prior to the applicable Purchase Date of such Bonds or the date fixed for redemption (other than the Maturity Date) of such Bond pursuant to a notice of redemption given by the Issuer in accordance with the provisions of the Indenture. The Conversion Period shall not include any Closed Period (as defined below).

The principal of and other amounts on the Bonds will be payable in US Dollars by the Issuer pursuant to the Indenture. The Bonds may be presented for registration of transfer or exchange at the office of the Issuer or the agent of the Issuer maintained for such purpose, initially located at The Shipping Office, 20-26 Sir John Rogerson's Quay, Dublin 2, D02 Y049, Ireland (being the office of The Bank of New York Mellon SA/NV, Dublin Branch, a limited liability company and credit institution organized under the laws of Belgium, registered in the RPM Brussels with company number 0806.743.159, whose registered office is at 46 Rue Montoyerstraat, B-1000 Brussels, Belgium, acting through its Dublin branch) (the "Registrar", which expression shall include its successor(s), also acting as transfer agent (the "Transfer Agent", which expression shall include its successor(s))), or for conversion, at the office of the Issuer or the agent of the Issuer maintained for such purpose, initially located at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom (being the office of The Bank of New York Mellon, London Branch, a banking corporation organized and existing under the laws of the State of New York with limited liability and operating through its branch in London) (the "Conversion Agent", which expression shall include its successor(s), also acting as paying agent (the "Paying Agent", which expression shall include its successor(s))).

The Issuer reserves the right, subject to the provisions of the Indenture and the Paying Agent and Registrar Appointment Letter, at any time to vary or terminate the appointment of any Agent and to appoint further or other Agents, provided that the Issuer will at all times maintain a Paying Agent. Notice of any such termination or appointment and of

any changes in the specified offices of the Paying Agent will be given promptly by the Issuer to the Holders (and other applicable parties) in accordance with the notice provisions of the Indenture as described below under "— Notices".

The Bonds will be issued only in fully registered form, without interest coupons, at 100% of par value in denominations of US$200,000 and any integral multiples of US$100,000 in excess thereof. See "— Book Entry; Delivery and Form" below. No service charge will be payable for any registration of transfer or exchange of the Bonds, for the conversion thereof or for the charges of the Agents in connection therewith, but the Issuer may require payment by a Holder of a sum sufficient to cover any transfer or stamp tax or other similar governmental charge payable in connection therewith.

The Issuer and its Affiliates (as defined below) may at any time, subject to applicable law, purchase the Bonds in the open market or otherwise, at any price. The Bonds which are purchased by the Issuer (including purchase in the open market), early redeemed, repurchased and repaid when due, converted or sold back by the Holders will be canceled and will not be re-issued. A Bond does not cease to be outstanding because any of the Issuer's Affiliates holds such Bond; provided, however, that any Bonds owned by any Affiliate of the Issuer will be deemed not to be outstanding in determining whether the Holders of the requisite principal amount of Bonds have given or concurred in any request, demand, authorization, direction, notice, consent or waiver under the Indenture.

Further Issues

To the extent permitted by applicable laws of the ROC, the Issuer may from time to time, without the consent of the Holders, create and issue, pursuant to the Indenture, additional bonds having the same terms and conditions under the Indenture as the previously outstanding Bonds in all respects, except for the issue date, issue price and, to the extent necessary, certain temporary securities law transfer restrictions. Additional bonds may be consolidated with and form a single series with the previously outstanding Bonds; provided, however, that such additional bonds will not be issued under the same ISIN, Common Code or other identifying number as the outstanding Bonds unless such additional bonds are fungible with the outstanding Bonds for U.S. federal income tax purposes.

Book Entry; Delivery and Form

The Bonds sold to qualified institutional buyers ("QIBs") in reliance on Rule 144A under the Securities Act will initially be represented by a permanent restricted global bond in fully registered book-entry form (the "Rule 144A Global Bond"). The Bonds sold in offshore transactions in reliance on Regulation S under the Securities Act will initially be represented by a permanent global bond in fully registered book-entry form (the "International Global Bond" and, together with the Rule 144A Global Bond, the "Global Bonds"). Each Global Bond will be deposited with The Bank of New York Mellon, London Branch, as common depositary for Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking S.A. ("Clearstream") (the "Common Depositary"), and registered in the name of a nominee of the Common Depositary. Separate ISIN and Common Code numbers will be assigned to the Rule 144A Global Bond and the International Global Bond. The Bonds will have minimum denominations of US$200,000 and integral multiples of US$100,000 in excess thereof.

The Bonds are not issuable in bearer form.

The Bonds (including beneficial interests in the Global Bonds) will be subject to the transfer restrictions set forth therein and in the Indenture and will bear a legend regarding such restrictions as described under "Transfer Restrictions." Under certain circumstances, transfers may be made only upon receipt by the Trustee or Registrar of certifications in the forms provided in the Indenture.

Beneficial interests in a Rule 144A Global Bond may be transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Bond without written certification. A beneficial interest in a Rule 144A Global Bond may be transferred to a person who takes delivery in the form of an interest in an International Global Bond only upon receipt of the certifications required by the Indenture to the effect that the transfer is being made to a person outside the United States or pursuant to Rule 144 under the Securities Act, if available. Transfers of beneficial interests in an International Global Bond to a person who takes delivery in the form of an interest in a Rule 144A Global Bond will be subject to the certifications and procedures set forth in the Indenture and under "Transfer Restrictions".

A beneficial interest transferred from one Global Bond to another will cease to be an interest in the transferor Global Bond and become an interest in the transferee Global Bond and will thereafter be subject to the transfer restrictions and procedures applicable to the transferee Global Bond.

Investors may hold beneficial interests in the Global Bonds through Euroclear or Clearstream, directly if they are participants in the relevant system or indirectly through organizations that are participants. Transfers between participants will be effected in accordance with the rules and procedures of the applicable clearing system.

So long as the nominee of the Common Depositary is the registered owner of a Global Bond, that registered nominee will be considered the sole Holder of the Bonds represented by that Global Bond for all purposes under the Indenture. Owners of beneficial interests must rely on the procedures of Euroclear or Clearstream and their respective participants to exercise rights under the Indenture.

Euroclear and Clearstream will take any action permitted to be taken by a Holder only in accordance with their respective rules and procedures and, as applicable, at the direction of one or more of their participants and only in respect of the principal amount for which such direction has been given.

The Common Depositary, Euroclear and Clearstream may discontinue their procedures at any time. Neither the Issuer nor the Trustee will have any responsibility for the performance by the Common Depositary, either clearing system or any participant of its obligations under the rules and procedures governing its operations or for the accuracy of records relating to beneficial interests in the Global Bonds.

Certificated bonds (the "Certificated Bonds") will be issued in exchange for beneficial interests in the Global Bonds if (i) the Common Depositary is unwilling or unable to continue as common depositary and a successor common depositary is not appointed within 90 days, (ii) Euroclear, Clearstream or any alternative clearing system through which the Bonds are held is closed for business for 14 consecutive days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so, or (iii) an Event of Default has occurred and is continuing and the Issuer has received a written request from a Holder. Any Certificated Bonds will be issued in authorized denominations and in an aggregate principal amount equal to the relevant beneficial interests in the Global Bonds.

Ranking

The Bonds will (i) be direct, unconditional, unsecured and unsubordinated obligations of the Issuer, (ii) rank pari passu without any preference or priority among themselves and with all other direct, unconditional, unsecured and unsubordinated Debt (as defined below) of the Issuer now or hereafter outstanding (except to the extent that such other Debt (x) ranks above such obligation solely by reason of Liens (as defined below) permitted under the Indenture or (y) is preferred by mandatory provisions of law), and (iii) be senior in right of payment to all Debt of the Issuer that is expressed to be subordinated in right of payment to the Bonds.

The Bonds will be effectively subordinated to all secured obligations but subject to the negative pledge as described in "Certain Covenants — Negative Pledge" of the Issuer with respect to claims against the assets securing such obligations ("Secured Debt"). As of June 30, 2026, we had approximately NT$120 million of outstanding Secured Debt.

Sinking Fund

The Bonds will not be entitled to the benefit of a sinking fund.

Transfer of Certificated Bonds and Delivery of New Certificated Bonds

In the event Certificated Bonds are issued, the following provisions will apply:

(i) Transfer of Certificated Bonds

A Certificated Bond may be transferred upon the surrender at the specified office of the Registrar or the Transfer Agent of the Certificated Bonds to be transferred, together with the form of transfer endorsed thereon (the "Form of Transfer") duly completed and executed and any other evidence that such the Registrar or Transfer Agent may require. In the case of a transfer of only part of a holding of Certificated Bonds, a new Certificated Bond shall be issued to the transferee in respect of the part transferred and a further new Certificated Bond in respect of the balance of the holding not transferred shall be issued to the transferor. The Form of Transfer will be available at the specified office of the Paying Agent.

Certificated Bonds will be subject to the transfer restrictions set forth therein and in the Indenture and will bear the legend described under "Transfer Restrictions." Prior to any transfer of a Certificated Bond other than pursuant to an effective registration statement, the Holder may be required to furnish certifications and other documentation relating to the manner of transfer, and any restricted legend will not be removed unless the Issuer receives evidence satisfactory to it, which may include an opinion of counsel, that the legend and the related transfer restrictions are no longer required to ensure compliance with the Securities Act.

(ii) Delivery of New Certificated Bonds

Each new Certificated Bond shall be available for delivery upon receipt by the Transfer Agent at its specified office of the relevant Certificated Bond and the Form of Transfer.

Delivery of the new Certificated Bonds shall be made at the specified office of such Transfer Agent to whom the relevant Certificated Bond and the Form of Transfer shall have been surrendered or delivered or, at the option of the Holder making such delivery or surrender as aforesaid and as specified in the relevant Form of Transfer or otherwise in writing, be mailed by uninsured post at the risk of the Holder entitled to the new Certificated Bond to such address as may be so specified, unless such Holder requests otherwise and pays in advance to the Transfer Agent the costs of such other method of delivery and/or such insurance as it may specify.

(iii) Formalities Free from Charge

Transfers of the Certificated Bonds will be effected without charge by or on behalf of the Issuer or the Paying Agent, but only upon confirmation of payment (or the giving of such indemnity, security and/or pre-funding as such Paying Agent may require in respect) of any tax or other governmental charges which may be imposed in relation thereto.

(iv) Restricted Transfer Periods

No Holder may require the transfer of a Certificated Bond to be registered (i) during the period of 15 days ending on (and including) a Redemption Date (as defined below), (ii) after such Bond has been selected by the Issuer or the Holder for redemption, pursuant to the terms of the Indenture or (iii) after such Holder has exercised its Conversion Right (as defined below).

Payments

All amounts due under, and all claims arising out of or pursuant to, the Bonds, the Indenture or the Paying Agent and Registrar Appointment Letter from or against the Issuer shall be payable and settled in US Dollars only.

Payments in respect of each Global Bond will be made by wire transfer of immediately available funds to the person in whose name that Global Bond is registered. Euroclear and Clearstream will credit their respective participants in accordance with their respective rules and procedures. Neither the Issuer nor the Trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the Global Bonds or for maintaining, supervising or reviewing any such records. Payments by participants to owners of

beneficial interests will be the responsibility of those participants.

The definitions of certain terms used in this section and the Indenture are listed below.

"Fixed Exchange Rate" means the fixed rate of US$1.00 = NT$31.6430.

"Independent Investment Bank" means (i) an independent investment bank of international repute or (ii) leading independent securities company or bank in the ROC (in each case of (i) and (ii), acting as an expert) selected by the Issuer at the expense of the Issuer and notified in writing to the Trustee and the Paying Agent.

"NT Dollars" or "NT$" means the lawful currency for the time being of the ROC.

"Prevailing Rate" for each Rate Calculation Date, means a rate determined by the Issuer in good faith as follows:

(a) the fixing rate at 11:00 a.m., expressed as the number of NT Dollars per one US Dollar, quoted by Taipei Forex Inc.;

(b) if no such rate is available under sub-paragraph (a), the prevailing rate determined by the Issuer in good faith on the basis of quotations provided by the Reference Dealers of the specified exchange rate for the Rate Calculation Date as obtained in accordance with the provisions below; and

(c) if fewer than two quotations are provided under sub-paragraph (b), the exchange rate for the Rate Calculation Date as shall be determined by an Independent Investment Bank in good faith.

In determining the prevailing rate under sub-paragraph (b), the Issuer will request the Taipei office of each of the Reference Dealers to provide a quotation of what the specified screen rate would have been had it been published, reported or available for the Rate Calculation Date, based upon each Reference Dealer's experience in the foreign exchange market for NT Dollars and general activity in such market on the Rate Calculation Date. The quotations used to determine the Prevailing Rate for a Rate Calculation Date will be determined in each case for such Rate Calculation Date, and will be requested at 3:30 p.m. (Taipei time) on such Rate Calculation Date or as soon as practicable after it is determined that the specified screen rate was not available.

If four quotations are provided, the rate for a Rate Calculation Date will be the arithmetic mean of the rates, without regard to the rates having the highest and lowest value. For this purpose, if more than one quotation has the same highest value or lowest value, then the rate of only one of such quotations shall be disregarded. If two or three quotations are provided, the rate for a Rate Calculation Date will be the arithmetic mean of the rates provided.

As soon as practicable and by no later than 11:00 a.m. (Hong Kong time) one Business Day after the Prevailing Rate has been determined, the Issuer will notify the Paying Agent and the Trustee by email of the Prevailing Rate and the applicable Settlement Equivalent on the Rate Calculation Date.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of determining the Prevailing Rate, whether by the Reference Dealers (or any of them), the Issuer or the Independent Investment Bank, will (in the absence of fraud, willful misconduct or gross negligence) be binding on the Issuer, the Trustee, the Agents and all Bondholders.

"Rate Calculation Date*"* means the day which is five Business Days before the due date of the relevant amount.

"Reference Dealers" means four leading dealers engaged in the foreign exchange market of the relevant currency selected by the Issuer.

"Settlement Equivalent" for the relevant Rate Calculation Date in respect of any US Dollar-denominated amount payable in respect of the Bonds, means such US Dollar amount converted into NT Dollar amount using the Fixed Exchange Rate, and then converted back to US Dollar amount using the applicable Prevailing Rate on such date.

"US Dollars" or "US$" means the lawful currency for the time being of the United States of America.

Interest

The Bonds will not bear interest.

In any case where the date of the payment of the principal of the Bonds or the date fixed for redemption of the Bonds is not a Business Day (as defined below), then payment of such principal or the Early Redemption Amount (as defined below) shall be made on the next succeeding Business Day, with the same force and effect as if made on the Maturity Date or the date fixed for redemption, as the case may be, and no interest shall accrue for the period after such date.

Additional Amounts

All payments of the principal of and other amounts on the Bonds and all deliveries of Common Shares (as defined below) made on conversion of the Bonds are to be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or other governmental charges ("Taxes") imposed, levied, collected, withheld or assessed by or within the ROC or any other jurisdiction in which the Issuer is organized or resident for tax purposes or from which any payment on the Bonds is made (or any political subdivision or Taxing Authority (as defined below) thereof or therein), unless such withholding or deduction is required by law or by regulation or governmental policy having the force of law. In the event that any such withholding or deduction is so required, the Issuer will pay such additional amounts on the Bonds (all such additional amounts being referred to herein as "Additional Amounts") as will result in receipt by the Holder of each Bond of such amounts as would have been received by such Holder had no such withholding or deduction been required, except that no Additional Amounts shall be payable for or on account of:

(i) any Taxes that would not have been imposed but for:

(A) the existence of any present or former connection between the Holder of such Bond and the ROC or any other jurisdiction in which the Issuer is organized or resident for tax purposes, other than merely holding such Bond or receiving payments or enforcing rights thereunder, including such Holder being or having been a national, domiciliary or resident of or treated as a resident thereof or being or having been present or engaged in a trade or business therein or having had a permanent establishment therein;

(B) the presentation of such Bond (if presentation is required) more than 30 days after the later of the date on which the payment of the principal of or other amounts on such Bond became due and payable pursuant to the terms thereof or the date that such payment was made or duly provided for, except to the extent that the Holder thereof would have been entitled to such Additional Amounts if it had presented such Bond for payment on any date within such 30 day period; or

(C) the presentation of such Bond (if presentation is required) for payment in the ROC, unless such Bond could not have been presented for payment elsewhere;

(ii) any estate, inheritance, gift, sale, transfer, stamp, personal property or similar tax, assessment or other governmental charge; or

(iii) any combination of Taxes referred to in the preceding clauses (i) and (ii),

The Issuer will not pay Additional Amounts if the registered Holder of the Bond is a fiduciary, partnership or person other than the sole beneficial owner of any payment to the extent that the beneficiary, partner or settlor with respect to such fiduciary, partnership or person, or the beneficial owner of that payment, would not have been entitled to the Additional Amounts if it had been the registered Holder of the Bonds.

Whenever there is mentioned, in any context, (i) the payment of the principal of and other amounts on any Bond, or (ii) the delivery of Common Shares or cash payments (if any) on conversion of any Bond, such mention shall be deemed to include the payment of Additional Amounts to the extent that, in such context, Additional Amounts are, were or would be payable with respect thereto.

Subject to certain exceptions, the Issuer will pay any present or future stamp, court or documentary taxes, or any other excise or property taxes, charges or similar levies which arise in any jurisdiction from the issue, initial delivery or registration of the Bonds or any other document or instrument referred to herein, including those resulting from or required to be paid in connection with, the enforcement of the Bonds or any other document or instrument following the occurrence of any Event of Default with respect to the Bonds and excluding those payable upon issue and delivery of Bonds to the order of a person other than a Holder.

The Paying Agent and the Trustee will make payments free of withholdings or deductions on account of taxes unless required by applicable law. If such a deduction or withholding is required, the Paying Agent or the Trustee will not be obligated to pay any Additional Amount to the recipient unless such an Additional Amount is received by the Paying Agent or the Trustee.

Redemption of the Bonds

Redemption for Taxation Reasons

The Bonds may be redeemed, in whole but not in part (subject to the paragraph below), at the option of the Issuer, at any time, upon giving not less than 30 nor more than 60 days' notice to the Holders (which notice shall be irrevocable) and upon written notice to the Trustee, the Registrar and the Paying Agent, at the Settlement Equivalent of the Early Redemption Amount on the Redemption Date (as defined below), if the Issuer determines and certifies to the Trustee in an officer's certificate immediately prior to the giving of such notice that, as a result of any change in, or amendment to, the laws (including any regulations or rulings promulgated thereunder) of the ROC or such other jurisdiction in which the Issuer is then organized or resident for tax purposes (or any political subdivision or Taxing Authority thereof or therein) affecting taxation, or any change in official position regarding the application, interpretation or administration of such laws, regulations or rulings (including a holding, judgment or order by a court of competent jurisdiction), which change, amendment, application, interpretation or administration is proposed and becomes effective on or after the Closing Date (or, in the case of any jurisdiction other than the ROC, the date (if later than the Closing Date) on which the Issuer first becomes organized or resident for tax purposes in such other jurisdiction) with respect to any payment due or to become due on the Bonds, the Issuer is required to pay Additional Amounts in connection therewith and such requirement to pay Additional Amounts cannot be avoided by the taking of reasonable measures available to the Issuer; provided that such right cannot be exercised earlier than 45 days prior to the first date on which the Issuer would be obligated to pay Additional Amounts with respect to all or substantially all of the outstanding Bonds were a payment then due. Prior to the giving of any such notice of redemption, the Issuer is required to deliver to the Trustee and the Paying Agent (i) an officer's certificate stating that such change, amendment or additional expense has occurred, describing the facts related thereto and stating that such requirement cannot be avoided by the Issuer taking reasonable measures available to it and (ii) an opinion of counsel or written advice of a qualified tax expert that the circumstances referred to in the preceding sentence exist as a result of such change, amendment, application, interpretation or administration. The Trustee shall be entitled to rely conclusively on such certificate, opinion and notice as sufficient evidence of the satisfaction of the conditions precedent described above and will not be obligated to verify any information therein, and the Trustee shall be protected and shall have no liability to any Holder or any person for so accepting and relying on such certificate or opinion, in which event they shall be conclusive and binding on the Holders.

Notwithstanding the foregoing, if the Issuer has given a redemption notice for taxation reasons in accordance with the paragraph above and if the outstanding principal amount of the Bonds at the time when such redemption notice is given is greater than 10% of the aggregate principal amount of the Bonds as of the Closing Date, each Holder will have the right to elect, and the redemption notice will state that each Holder will have the right to elect that its Bonds should not be redeemed. Upon the exercise of such right, the provisions set forth in "— Additional Amounts" will not apply to any payment in respect of such Bonds that is due after the relevant Redemption Date, and such payment will be made subject to the deduction of any ROC tax (or tax of such other jurisdiction in which the Issuer is then organized or resident for tax

purposes) required to be withheld or deducted. To exercise such right, the Holder must give notice to the Issuer in the manner set out in the Indenture no later than 15 days prior to the relevant Redemption Date.

The Issuer may redeem the Bonds, in whole but not in part, at any time, on not less than 30 nor more than 60 days' notice, at the Settlement Equivalent of the Early Redemption Amount if more than 90% in principal amount of the Bonds originally issued has been redeemed, repurchased and canceled or converted; provided that the applicable Redemption Date does not fall within a Closed Period.

Notice of any such redemption will be given by the Issuer to the Holders (and other applicable parties) in accordance with the notice provisions of the Indenture as described below under "— Notices".

Redemption at Maturity

Unless the Bonds have been previously redeemed, repurchased and canceled or converted, the Issuer will redeem the Bonds on the Maturity Date at the Settlement Equivalent of a redemption price equal to 100.00% of the outstanding principal amount thereof. The Bonds may be redeemed prior to the Maturity Date only as described herein.

Redemption Procedures

Payment of the relevant redemption price for a Certificated Bond is conditioned upon delivery of such Bond (together with necessary endorsements) to any Paying Agent. Payment of the relevant redemption price for any Bond will be made on the Redemption Date or, if such Bond is a Certificated Bond and has not been so delivered on or prior to the date on which payment is due, at the time of delivery of such Bond. If the Paying Agent holds, in accordance with the terms of the Indenture, cash sufficient to pay the relevant redemption price of such Bond on the date on which payment is due, then, immediately after such date, such Bond will cease to be outstanding, whether or not such Bond is delivered to a Paying Agent, and all other rights of the Holder shall terminate (other than the right to receive the relevant redemption price).

In the case of any redemption other than on the Maturity Date, notice of redemption to each Holder shall specify the Redemption Date, the price at which such Bonds will be redeemed and the place or places of payment and that payment will be made upon presentation and surrender of the Bonds to be redeemed. Such notice shall also specify the Conversion Price then in effect and the date on which the right to convert such Bonds will expire.

Repurchase of the Bonds

Repurchase in the Event of Delisting or Trading Suspension

In the event that the Common Shares cease to be listed or admitted to trading on the TWSE (a "Delisting") or trading of the Common Shares on the TWSE is suspended for 30 or more consecutive Trading Days (a "Trading Suspension"), each Holder shall have the right (the "Delisting Put Right" or the "Trading Suspension Put Right", as applicable), at such Holder's option, to require the Issuer to repurchase all, but not in part, of such Holder's Bonds on the 20th Business Day after the Issuer provides notice to the Holders, the Trustee and the Paying Agent regarding the Delisting or Trading Suspension as described under "— Repurchase Procedures" below (the "Delisting Put Date" or the "Trading Suspension Put Date", as applicable), at the Settlement Equivalent of the Early Redemption Amount with respect to such Holder's Bonds to be repurchased on the Delisting Put Date (the "Delisting Put Price") or the Trading Suspension Put Date (the "Trading Suspension Put Price"), as applicable.

Repurchase in the Event of Change of Control

If a Change of Control (as defined below) occurs with respect to the Issuer, each Holder shall have the right (the "Change of Control Put Right"), at such Holder's option, to require the Issuer to repurchase all, but not in part, such Holder's Bonds on the date set by the Issuer for such repurchase (the "Change of Control Put Date"), which shall be not less than 30 nor more than 60 days following the date on which the Issuer notifies the Holders, the Trustee and the Paying Agent in writing of the Change of Control, at the Settlement Equivalent of the Early Redemption Amount with respect to

such Holder's Bonds to be repurchased on the Change of Control Put Date (the "Change of Control Put Price").

Repurchase Procedures

Promptly after becoming aware of a Delisting, Trading Suspension or Change of Control, the Issuer will provide notice to the Holders, the Trustee and the Paying Agent regarding the Delisting Put Right, Trading Suspension Put Right or Change of Control Put Right, as the case may be, which notice shall state, as appropriate:

(A) the Delisting Put Date, Trading Suspension Put Date or the Change of Control Put Date, as the case may be (each, a "Purchase Date");

(B) in the case of a Delisting, the date of such Delisting and, briefly, the events causing such Delisting;

(C) in the case of a Trading Suspension, the date on which the 30th consecutive Trading Day of such suspension occurred and a brief description of the events giving rise to such Trading Suspension;

(D) in the case of a Change of Control, the date of such Change of Control and, briefly, the events causing such Change of Control;

(E) the date by which the Holder Purchase Notice (as defined below) must be given;

(F) the Delisting Put Price, Trading Suspension Put Price or the Change of Control Put Price, as the case may be, and the method by which such amount will be paid;

(G) the names and addresses of the Paying Agent;

(H) briefly, the Conversion Right (as defined below) of the Holders and the then current Conversion Price and the date on which the right to convert such Bond will expire;

(I) the procedures that Holders must follow and the requirements that Holders must satisfy in order to exercise their repurchase rights and/or Conversion Right; and

(J) that a Holder Purchase Notice, once validly given, may not be withdrawn.

To exercise its right to require the Issuer to repurchase its Bonds, the Holder must deliver a written irrevocable notice of the exercise of such right (a "Holder Purchase Notice") to any Paying Agent on any Business Day prior to the close of business at the location of such Paying Agent on such day and which day is not less than ten (10) Business Days prior to the Purchase Date.

Payment of the Delisting Put Price upon exercise of the Delisting Put Right, the Trading Suspension Put Price upon exercise of the Trading Suspension Put Right or the Change of Control Put Price upon exercise of the Change of Control Put Right for any Certificated Bond for which a Holder Purchase Notice has been delivered is conditioned upon delivery of such Certificated Bond (together with any necessary endorsements) to any Paying Agent on any Business Day together with the delivery of such Holder Purchase Notice and will be made promptly following the later of the Purchase Date and the time of delivery of such Certificated Bond. If the Paying Agent holds on the Purchase Date money sufficient to pay the applicable put price for Bonds for which Holder Purchase Notices have been delivered in accordance with the Indenture, then, whether or not such Bond is delivered to the Paying Agent, on and after such Purchase Date, (i) such Bond will cease to be outstanding, (ii) such Bond will be deemed paid and (iii) all other rights of the Holder shall terminate, other than the right to receive the applicable put price.

Certain Definitions

Set forth below is a summary of certain of the defined terms used in the covenants and other provisions of the Indenture. Reference is made to the Indenture for the full definition of all such terms, as well as any other capitalized terms

used herein for which no definition is provided.

"*Affiliate*" means, with respect to any Person (the "Specified Person"), (i) any Person other than the Specified Person directly or indirectly controlling, controlled by or under direct or indirect common control with, the Specified Person or (ii) any Person who is a director or executive officer (A) of the Specified Person, (B) of any Subsidiary of such Specified Person or (C) of any Person described in clause (i) above. For purposes of this definition, the term "control" when used with respect to any Person means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of voting securities or by contract or otherwise.

"Agent" means any registrar, paying agent, conversion agent or transfer agent, including any successor registrar, paying agent, conversion agent or transfer agent.

"Business *Day"* means any day except a Saturday, Sunday or other day on which commercial banks in Taipei, Hong Kong, London and the City of New York are authorized by law to close or are otherwise not open for business.

"*Capital Stock*" means, with respect to any Person, any and all shares, ownership interests, participation or other equivalents (however designated), including all common stock and all preferred stock, of such Person.

"Certificated Bonds" means the individual certificated Bonds executed and delivered by the Issuer and authenticated by or on behalf of the Registrar, which may be delivered in exchange for beneficial interests in the Global Bonds in certain circumstances.

"*Change of Control*" occurs when:

(1) any Person or Persons (as defined below) acting together acquires Control of the Issuer if such Person or Persons does not or do not have, and would not be deemed to have, control of the Issuer on the Closing Date; or

(2) the Issuer consolidates with or merges into or sells or transfers all or substantially all of the Issuer's assets to any other Person, unless the consolidation, merger, sale or transfer will not result in such other Person acquiring Control over the Issuer or the successor entity.

"Closing Price" means for any Trading Day (a) with respect to the Common Shares, the closing sales price of the Common Shares on the TWSE on such day or, if no reported sales take place on such day, the average of the reported closing bid and offered prices, in either case as reported by the TWSE for such day as furnished by an Independent Investment Bank, and (b) with respect to Capital Stock of the Issuer (other than Common Shares), the closing bid price for such Capital Stock (other than Common Shares) on the Selected Exchange (as defined under "Trading Day" below).

"Common Shares" means shares of the common stock of the Issuer, par value NT$10.00 per share.

"*Control*" means (i) the right to appoint and/or remove all or the majority of the members of the Issuer's board of directors or other governing body, whether obtained directly or indirectly, and whether obtained by ownership of share capital, the possession of voting rights, contract or otherwise; or (ii) the acquisition or control of more than 50% of the voting rights of the issued share capital of the Issuer.

"*Conversion Price*" means the initial conversion price of NT$4,513.75 per Common Share set forth on the cover of this offering circular, subject to adjustment in the manner provided in "— Conversion — Adjustments to the Conversion Price" below.

"*Debt*" means, with respect to any Person at any date, without duplication, (i) all obligations of such Person for borrowed money, (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (iii) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of trading, (iv) all obligations of such Person as lessee which are capitalized in accordance

with the generally accepted accounting principles applicable to such Person, (v) all indebtedness secured by a Lien on any asset of such Person, whether or not such indebtedness is otherwise an obligation of such Person, (vi) all obligations of such Person to purchase securities or other property that arise out of or in connection with the sale of the same or substantially similar securities or property, (vii) all non-contingent obligations of such Person to reimburse any bank or other Person in respect of amounts paid under a letter of credit or similar instrument and (viii) all Debt of others guaranteed by such Person.

"*Default*" means any condition or event which, with the giving of notice or lapse of time or both, would become an Event of Default (as defined below).

"*Early Redemption Amount*" means, for each US$100,000 principal amount of the Bonds, the amount which represents a gross yield of 0.00% per annum, calculated on a semi-annual basis up to the date for redemption on the basis of a 360-day year consisting of 12 months of 30 days each, and in the case of an incomplete month, the actual number of days elapsed.

"*FSC*" means the Financial Supervisory Commission of the ROC.

"*Holder*", "*holder*" and "*Bondholder*" in relation to a Bond means the person in whose name a Bond is registered in the Bond register.

"*Lien*" means, with respect to any property or asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such property or asset, including, without limitation, the right of a vendor, lessor or similar party under any conditional sales agreement, capital lease or other title retention agreement relating to such property or asset, and any other right of or arrangement with any creditor to have its claims satisfied out of any property or assets, or the proceeds therefrom prior to any general creditor of the owner thereof.

"*Market Value*" means (i) in the case of Common Shares, the average of the Closing Prices of the Common Shares for the most recent 30 Trading Days, (ii) in the case of Capital Stock (other than Common Shares) which is listed on the Selected Exchange, the average of the Closing Prices of such Capital Stock (other than Common Shares) for the most recent 30 Trading Days and (iii) in the case the market value cannot be determined pursuant to the procedures above, the market value determined by an opinion of an Independent Investment Bank.

"*Person*" means any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organization, trust, state or agency of a state (in each case whether or not being a separate legal entity) limited liability company, government or political subdivision or agency or instrumentality thereof, or any other entity or organization; provided that in the context of a Change of Control, a Person does not include the Issuer's board of directors or any other governing board and does not include the Issuer's wholly-owned direct or indirect subsidiaries.

"Principal *Subsidiary"* means any Subsidiary (as defined below) of the Issuer (i) whose gross revenues, as shown by the latest audited income statement (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary, exceed 10% of the consolidated gross revenues as shown by the then latest published audited consolidated income statement of the Issuer and its Subsidiaries; (ii) whose gross assets, as shown by the latest audited balance sheet (consolidated in the case of a Subsidiary which itself has Subsidiaries) of such Subsidiary, exceed 10% of the gross consolidated assets as shown by the then latest published audited consolidated balance sheet of the Issuer and its Subsidiaries; or (iii) to which is transferred the whole or substantially the whole of the assets and undertaking of a Subsidiary which immediately prior to such transfer is a Principal Subsidiary, provided that, in such a case, the Subsidiary so transferring its assets and undertaking shall thereupon cease to be a Principal Subsidiary unless such Subsidiary would continue to be a Principal Subsidiary on the basis of such accounts by virtue of the provisions of paragraph (i) above. References to the audited income statement and balance sheet of a Subsidiary which has subsidiaries shall be construed as references to the audited consolidated income statement and consolidated balance sheet of such Subsidiary and its subsidiaries, if such are required by law to be produced, or if no such income statement or balance sheet is required by law to be produced or is not produced when the Subsidiary becomes a Principal Subsidiary, to a pro forma income statement or balance sheet for the purpose of such determination.

"*Purchase Date*" has the meaning specified under the caption "— Repurchase Procedures" above.

"*Redemption Date*" means, with respect to any Bond, (i) the date fixed for redemption of such Bond pursuant to a notice of redemption given by the Issuer in accordance with the provisions of the Indenture; or (ii) the Maturity Date of such Bond if such Bond has not been redeemed, repurchased and canceled or converted in accordance with its terms prior to the Maturity Date.

"*Securities Act*" means the United States Securities Act of 1933, as amended.

"*Subsidiary*" means, with respect to any Person, (a) any entity which is controlled or of which more than 50% of its Capital Stock is owned directly or indirectly by such Person, or (b) any entity which at any time has its accounts consolidated with those of that Person or which, under the law, regulations or generally accepted accounting principles of the jurisdiction of incorporation of such Person from time to time, should have its accounts consolidated with those of that Person.

"*Taxing Authority*" means any government or political subdivision or any authority or agency thereof, having the legal power and authority to levy a mandatorily payable charge, assessment or tax.

"*Trading Day*" means (a) with respect to the Common Shares, a day when the TWSE is open for business, provided, however, if no transaction price or closing bid and offered prices are reported by the TWSE in respect of the Common Shares for one or more Trading Days, such day or days will be disregarded in any relevant calculation and will be deemed not to have existed when ascertaining any period of consecutive Trading Days and (b) with respect to Capital Stock of the Issuer (other than Common Shares), a day on which any securities exchange or quotation system selected by the Issuer and notified to the Paying Agent for this purpose (the "Selected Exchange") on which shares of such Capital Stock (other than Common Shares) are quoted or traded is open for trading or quotation; provided, however, if no bid price is reported by the Selected Exchange in respect of such Capital Stock (other than Common Shares) for one or more Trading Days, such day or days will be disregarded in any relevant calculation and will be deemed not to have existed when ascertaining any period of consecutive Trading Days.

"*TWSE*" means Taiwan Stock Exchange Corporation.

Certain Covenants

Negative Pledge

So long as any Bond remains outstanding, the Issuer shall not, and shall ensure that none of its Principal Subsidiaries will, create or permit to subsist any Lien on any of its or, as the case may be, such Principal Subsidiary's, property, assets or revenues, present or future, to secure for the benefit of the holders of any International Investment Securities (as defined below) (i) payment of any sum owing in respect of any such International Investment Securities, (ii) any payment under any guarantee of any such International Investment Securities or (iii) any payment under any indemnity or other like obligation relating to any such International Investment Securities, unless contemporaneously therewith effective provision is made to secure the Bonds (a) equally and ratably with such International Investment Securities with a similar Lien on the same property, assets or revenues securing such International Investment Securities for so long as such International Investment Securities are secured by such Lien or (b) with such other security, guarantee, indemnity or other arrangement as shall be approved by registered Holders holding not less than 50% of the principal amount of the outstanding Bonds.

As used herein, "International Investment Securities" means bonds, debentures, notes or other similar investment securities of the Issuer or any other person evidencing indebtedness with a maturity of not less than one year from the issue date thereof, or any guarantees thereof, which (i) either (A) are by their terms payable, or confer a right to receive payment, in any currency other than NT Dollars or (B) are denominated in NT Dollars and more than 50% of the aggregate principal amount thereof is initially distributed outside the ROC by or with the consent of the Issuer and (ii) are for the time being, or are intended to be, quoted, listed, ordinarily dealt in or traded, in each case primarily, on any stock exchange or over-the-counter or other securities market outside the ROC.

Rule 144A Information

For so long as any Bonds or Common Shares issued upon conversion thereof remain outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, during any period in which the Issuer is neither subject to and in compliance with Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from those reporting requirements pursuant to and in compliance with Rule 12g3-2(b) under the Exchange Act, the Issuer will, upon the request of any Holder or beneficial owner of a Bond or any holder of Common Shares issued upon conversion of a Bond, furnish the information specified in Rule 144A(d)(4) to such Holder, beneficial owner or holder of Common Shares, or to a prospective purchaser designated by any such person that is a qualified institutional buyer within the meaning of Rule 144A, to permit compliance with Rule 144A in connection with the resale of the Bond, the beneficial interest in the Bond or the Common Shares issued upon conversion thereof in reliance on Rule 144A.

Consolidation, Amalgamation or Merger

The Issuer shall not consolidate with, merge or amalgamate into or transfer or convey all or substantially all of its properties and assets to, any Person (the consummation of any such event, a "Merger"), unless:

(i) the corporation formed by such Merger or the Person that acquired such properties and assets shall expressly assume, by an indenture supplemental to the Indenture, all obligations of the Issuer under the Indenture and the performance of every covenant and agreement applicable to it contained therein;

(ii) immediately after giving effect to any such Merger, no Default or Event of Default shall have occurred or be continuing or would result therefrom;

(iii) the Issuer at least 20 Business Days prior to the Merger has delivered to the Trustee an officer's certificate stating that such Merger complies with the provisions of the Indenture relating to this matter and that all conditions precedent therein provided for or relating to such Merger have been complied with;

(iv) the corporation formed by such Merger, or the Person that acquired such properties and assets, shall expressly agree to (A) indemnify each holder of a Bond against any tax, assessment or governmental charge payable by withholding or deduction thereafter imposed on such holder solely as a consequence of such Merger with respect to the payment of principal of and other amounts on the Bonds and (B) if organized under the laws of a jurisdiction other than the ROC, to deliver a substitute undertaking to the Trustee to pay any additional amounts as may be necessary in order that the net amounts received by the holders of the Bonds, after any withholding or deduction of any such tax, assessment or other governmental charge shall equal the respective amounts of the principal of and Additional Amounts on the Bonds, which would have been receivable in respect of the Bonds in the absence of such Merger. No successor corporation or other Person shall have the right to redeem the Bonds unless the Issuer would have been entitled to redeem the Bonds pursuant to the Indenture in the absence of the Merger; and

(v) the Issuer shall as soon as practicable on or prior to the Merger, deliver to the Trustee an opinion satisfactory to the Trustee of counsel(s) of recognized standing that the condition in paragraph (i) above has been satisfied.

In the event of any such Merger, the provisions described under "— Additional Amounts" and the taxation redemption provisions under "— Redemption of the Bonds — Redemption for Taxation Reasons" above will apply to the corporation formed by such Merger or the Person acquiring such properties and assets, as appropriate, and any reference to the Issuer shall be read to include such successor Person.

Conversion

Conversion Right

Each Holder will have the right (the "Conversion Right") during the Conversion Period to convert its Bonds (being US$200,000 in principal amount or an integral multiple of US$100,000 in excess thereof), at the option of such converting Holder, upon delivery of an irrevocable notice (the "Conversion Notice") at the office of the Conversion Agent, on any Business Day prior to the close of business at the location of the Conversion Agent to which such Conversion Notice is delivered, into Common Shares; provided, however, that the Conversion Right during any Closed Period (as defined below) shall be suspended and the Conversion Period shall not include any such Closed Period. "Closed Period" means (i) the periods for share registrar closure pursuant to the laws and regulations of the ROC or the rules of the TWSE, excluding the closed period for the annual general meeting or the extraordinary general meeting of shareholders of the Issuer; (ii) in the event of free distribution of shares, distribution of cash dividends or a capital increase by cash, the period from the fifteenth Trading Day prior to the record date for the determination of the shareholders entitled to the receipt of dividends, subscription of new Common Shares due to capital increase or other benefits and bonuses through such record date; (iii) in the event of capital reduction of the Issuer, the period from the record date of any capital reduction to the day immediately preceding the date on which the Common Shares resume trading after such capital reduction; and (iv) in the event of change of par value of the Common Shares of the Issuer, the period from the commencement of the suspension of conversion in respect of the change of par value of the Common Shares to the day immediately preceding the date on which the reissued Common Shares resume trading after such change of par value of the Common Shares. In the event of any amendment to the applicable laws and regulations of the ROC (including the rules of the TWSE) relating to the period of suspension of share transfer registration, such Closed Period shall be adjusted and implemented in accordance with such amended laws and regulations. The Issuer shall procure that Holders (and the Trustee and the Conversion Agent) are given at least 7 days' but not more than 60 days' prior notice of any Closed Period in accordance with the provisions of the Indenture.

The number of Common Shares to be issued upon conversion will be determined by dividing the aggregate principal amount of all the Bonds to be converted by such Holder (translated into NT Dollars at the Fixed Exchange Rate) by the Conversion Price in effect on the Conversion Date (as defined below). Fractions of Common Shares will not be issued on conversion, and the Issuer will pay in US Dollars for any fraction of a Common Share not issued as aforesaid, after deducting any expenses arising from foreign exchange conversion and other handling charges, rounding to the nearest US Dollar with US$0.50 being rounded upwards.

The Conversion Price shall at all times be subject to Anti-dilution Adjustment (as defined below).

On the Conversion Date, the Conversion Agent shall be entitled to write down and cancel the relevant Bonds subject to such exercised Conversion Right with no further liability. The Trustee and the Conversion Agent shall not be required to monitor or assist with the delivery of Common Shares or cash for any registration that may arise pursuant to an exercise of a Conversion Right.

Restrictions on Shareholdings by PRC Persons

Under the current ROC laws, regulations and policies, a PRC person is not permitted to convert the Bonds or to register as the Company's shareholder unless, subject to the procedures and restrictions under applicable laws and regulations of the ROC, (i) it is a QDII, who will hold less than 10% of the Issuer's issued shares after conversion of the Bonds or (ii) it otherwise obtains the approval of the Department of Investment Review of the Ministry of Economic Affairs if all the business items are within the positive list promulgated by the ROC government from time to time and it will hold 10% or more (or other threshold required by the regulators) of the Issuer's issued shares after conversion of the Bonds. There are also limits on the amount remitted to the ROC for investments by QDIIs, separately and jointly. Accordingly, the qualification criteria for a PRC person to make investment and the investment threshold imposed by the FSC and the TWSE may cause a Bondholder who is a PRC person to be unable to convert the Bonds and hold the Common Shares. Under current ROC laws, "PRC person" means (A) an individual holding a passport issued by the PRC or PRC residence registration (including an individual who used to hold PRC passport or PRC residence registration but has given up his or her PRC citizenship and converted to the citizenship of another jurisdiction for less than four years or has not stayed outside the PRC for a period of over four years, but not including a resident in a special administrative region of the PRC such as Hong Kong and Macau, if so excluded by applicable laws of the ROC), (B) any agency or instrumentality of the PRC and any corporation, partnership or other entity of any area under the effective control or jurisdiction of the PRC (but not including a special administrative region of the PRC such as Hong Kong or Macau, if so excluded by applicable laws of the ROC), or (C) any corporation, partnership or other entity organized under the laws of any other jurisdiction outside of the PRC that either (x) is directly or indirectly controlled by, or (y) directly or indirectly having more than 30% of its capital owned by, or beneficially owned by any such person referred to in (A) to (B).

ROC Procedures for Foreign Persons Holding Common Shares

Under current ROC laws, if a non-ROC person is an overseas Chinese or foreign national or entity having not been registered with the TWSE, when exercising the conversion right, such non-ROC person will be required to first register with the TWSE and then appoint a local agent to, among other things, open a securities trading account with a local securities brokerage firm to hold or trade the common shares, open an NT dollar bank account, remit funds, pay ROC tax, exercise shareholders' rights, and perform such other matters as may be designated by the converting holder. In addition, under current ROC laws, a non-ROC person is required to appoint a local bank to act as custodian for handling confirmation and settlement of trades, safekeeping of securities and cash proceeds, and reporting and declaration of information. Under current ROC laws and regulations, without satisfying these requirements, a non-ROC person will not be able to hold or to sell or otherwise transfer the Company's Common Shares on the TWSE or otherwise.

In addition, when a non-ROC person converts the Bonds or registers as the Company's shareholder, such non-ROC person will be required under current ROC laws and regulations to appoint an agent, or a tax guarantor, in the ROC for filing tax returns and making tax payments. A tax guarantor must meet certain qualifications set by the Ministry of Finance of the ROC and, upon appointment, becomes a guarantor of your

ROC tax obligations. We cannot assure that such non-ROC person will be able to appoint and obtain approval for a tax guarantor in a timely manner, if at all.

Delivery of Common Shares upon Conversion

Upon a converting Holder exercising its Conversion Right, the Issuer shall as promptly as practicable issue Common Shares upon conversion of Bonds in accordance with the ROC law.

The Issuer's delivery to the Bondholder of the number of Common Shares into which the Bonds are convertible, together with any cash payment for any fraction of Common Shares, will be deemed to satisfy the Issuer's obligation to pay the principal of and other amounts on such Bonds.

See "Risk Factors — Risks Relating to Ownership of the Bonds and the Common Shares — A liquid market for the Bonds may not develop, and the market for the Common Shares may not be liquid."

Procedures; Conversion Notice; Taxes and Duties

In order to effect a conversion, each Holder must complete, execute and deliver at such Holder's expense during the Conversion Period to the office of the Conversion Agent on any Business Day prior to the close of business at the location of the Conversion Agent, a Conversion Notice, in the form then obtainable from the office of the Conversion Agent, together, in the case of Certificated Bonds, with the certificate representing the Bonds to be converted, and any certificates and other documents as may be required under applicable law and any expenses or other payments required to be paid by the Holder pursuant to the terms of the Indenture. The Conversion Notice shall contain, inter alia, an appointment of a local agent by such converting Holder and the name and address of such local agent.

In the case of a Rule 144A Global Bond or a Certificated Bond bearing the Rule 144A restricted legend, the Conversion Notice will also require the converting Holder to represent that it is a QIB and that it is acquiring the Common Shares issuable upon conversion for its own account or for the account of a QIB, and to acknowledge the applicable transfer restrictions on those Common Shares, in each case in the form provided in the Indenture.

Upon receipt of such Conversion Notices, the Conversion Agent shall process and transmit such Conversion Notices to the Issuer as soon as reasonably practicable.

A Conversion Notice once so delivered may not be withdrawn without the consent in writing of the Issuer. Holders who deposit a Conversion Notice during a Closed Period will not be permitted to convert their Bonds until the first Business Day which is a Trading Day following the last day of that Closed Period which (if all other conditions to conversion have been fulfilled) will be the Conversion Date for such Bonds. Such Holders will not be registered as holders until the Conversion Date. The price at which such Bonds will be converted will be the Conversion Price in effect on the Conversion Date.

As conditions precedent to conversion, the Holder must confirm that all stamp, issue, registration and similar taxes and duties (if any) arising on conversion in the country in which the Bond is deposited for conversion, or payable in any jurisdiction consequent upon the issue and delivery of Common Shares or any other property or cash upon conversion to or to the order of a person other than the converting Bondholder have been paid to the relevant authority. Except as aforesaid, the Issuer will pay the expenses arising in the ROC on the issue of Common Shares on conversion of Bonds and all charges of the Conversion Agent described in the fee letter between the Issuer and the Conversion Agent in connection therewith as provided therein. The date on which any Bond and the Conversion Notice (in duplicate) relating thereto, together with any certificates and other documents as may be required under applicable law, are deposited with the Conversion Agent and the payments, if any, required to be paid by the Bondholder are made is hereinafter referred to as the "Deposit Date", provided that if such deposit occurs after 3:00 p.m. (London time) or if the deposit is not made on a Trading Day, the next Trading Day immediately following such deposit shall be deemed as the Deposit Date. The "Conversion Date" applicable to a Bond shall mean the next Business Day following the Deposit Date (or the first Business Day following the last day of a Closed Period if the related

Conversion Notice was deposited during such Closed Period), which day must be a Trading Day and must fall within the Conversion Period. The Holder must therefore satisfy all such conditions on or before the Business Day prior to the end of the Conversion Period.

With effect from the opening of business in the ROC on the Conversion Date, the Issuer will deem the person designated in the Conversion Notice as the person in whose name the Common Shares to be issued upon such conversion are to be registered as the holder of record of the number of Common Shares (disregarding any retroactive adjustment of the Conversion Price referred to below prior to the time such retroactive adjustment shall have become effective), and at such time the rights of such converting Holder as a Holder with respect to the Bonds deposited for conversion shall cease.

On the Conversion Date, the Issuer will deem the converting Holder (or its designee) to be the holder of record of the number of Common Shares to be issued upon conversion of such Bonds and, subject to any applicable limitations then imposed by ROC laws and regulations, according to the request made in the relevant Conversion Notice, procure that, as soon as practicable, and in any event within five Trading Days after receipt of the relevant Conversion Notice (subject to changes to ROC laws and regulations), the relevant Common Shares be delivered through the book-entry system of Taiwan Depository & Clearing Corporation ("TDCC") to the securities account specified in the relevant Conversion Notice, together with any other property or cash required to be delivered upon conversion and such assignments and other documents (if any) as may be required by law to effect the delivery thereof. If the converting Holder has not opened an account with TDCC in accordance with applicable ROC laws and regulations, delivery will be made after such Holder has completed the relevant account-opening procedures.

Adjustments to the Conversion Price

Anti-dilution. The Conversion Price will be subject to adjustment ("Anti-dilution Adjustment") in the circumstances described below:

(i) If the Issuer shall issue Common Shares as a dividend in Common Shares or make a free distribution or bonus issue of Common Shares which is treated as a capitalization issue for accounting purposes (including but not limited to capitalization of retained earnings or capital reserves), then adjustment shall be made, in accordance with the following formula, to the Conversion Price in effect on (i) the record date for the determination of the shareholders entitled to receive such dividend and/or distribution; or (ii) (if the increase in the total number of Common Shares outstanding is due to a reduction in the par value of the Common Shares) the record date for the issuance of new Common Shares; or (iii) (if the Common Shares are issued upon upfront payment by such shareholders) the date on which the newly issued Common Shares are fully paid up:

$$NCP = OCP \times [N / (N + n)]$$

where:

NCP = the Conversion Price after such adjustment.

OCP = the Conversion Price before such adjustment.

N = the number of Common Shares outstanding at the time of issuance of such dividend and/or distribution (or at the close of business in Taipei on such record date, as the case may be), which shall exclude treasury shares that have not been cancelled or transferred.

n = the number of Common Shares to be distributed to the shareholders as a dividend and/or distribution.

(ii) If the Issuer shall (a) subdivide its outstanding Common Shares, (b) combine its outstanding Common Shares into a smaller number of Common Shares, or (c) re-classify any of its Common Shares into other securities of the Issuer, then the Conversion Price

shall be appropriately adjusted so that the Holder, in respect of the Conversion Date which occurs after the coming into effect of the adjustment described in this subsection (ii), shall be entitled to receive the number of Common Shares and/or other securities of the Issuer which it would have held or have been entitled to receive after the happening of any of the events described above had such Bond been converted immediately prior to the happening of such event (or, if the Issuer has fixed a prior record date for the determination of the shareholders entitled to receive any such securities issued upon any such subdivision, combination or reclassification, immediately prior to such record date), but without prejudice to the effect of any other adjustment to the Conversion Price made with effect from the date of the happening of such event (or such record date) or any time thereafter.

(iii) If the Issuer shall grant, issue or offer to the holders of Common Shares rights entitling them to subscribe for or purchase Common Shares, which expression shall include those Common Shares which are required to be offered to employees and persons other than shareholders in connection with such grant, issue or offer, at a consideration per Common Share receivable by the Issuer which is fixed:

(A) on or prior to the record date mentioned below and is less than the Market Value per Common Share on such record date; or

(B) after the record date mentioned below and is less than the Market Value per Common Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in the case of (A) above) on the record date for the determination of the shareholders entitled to receive such rights or (in the case of (B) above) on the date on which the said consideration is paid in full shall be adjusted in accordance with the following formula:

$$NCP = OCP \times [(N + v) / (N + n)]$$

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding at the close of business in the ROC (in the case of (A) above) on such record date or (in the case of (B) above) on the date the Issuer fixes the said consideration, which shall exclude the treasury shares that have not been cancelled or transferred.

n = the number of Common Shares to be issued in connection with such rights issue at the said consideration.

v = the number of Common Shares which the aggregate consideration receivable by the Issuer would purchase at such Market Value specified in (A) or, as the case may be,
(B) above.

Subject as provided below, such adjustment shall become effective immediately after the latest date for the submission of applications of such Common Shares by shareholders entitled to the same pursuant to such rights or (if later) immediately after the Issuer fixes the said consideration but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of rights

entitling them to subscribe for or purchase Common Shares, any Common Shares which are not subscribed for or purchased by the persons entitled thereto are purchased by other persons after the latest date for the submission of applications for such Common Shares, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the Issuer receives the consideration in full, from such other persons but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of rights entitling them to subscribe for or purchase Common Shares, any such Common Shares which are not subscribed for or purchased by such other persons as referred to above or by the persons entitled thereto (or persons to whom shareholders have transferred such rights) who have submitted applications for such Common Shares as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

(iv) If the Issuer shall grant, issue or offer to the holders of Common Shares warrants entitling them to subscribe for or purchase Common Shares at a consideration per Common Share receivable by the Issuer which is fixed:

(A) on or prior to the record date for the determination of the shareholders entitled to receive such warrants and is less than the Market Value per Common Share at such record date; or

(B) after the record date mentioned above and is less than the Market Value per Common Share on the date the Issuer fixes the said consideration,

then the Conversion Price in effect (in a case within (A) above) on the record date for the determination of the shareholders entitled to receive such warrants or (in a case within (B) above) on the date on which the said consideration is paid in full shall be adjusted in accordance with the following formula:

NCP = OCP x [(N + v) / (N + n)]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding at the close of business in the ROC (in the case of (A) above) on such record date or (in the case of (B) above) on the date the Issuer fixes the said consideration, which shall exclude the treasury shares that have not been cancelled or transferred.

n = the number of Common Shares initially to be issued upon exercise of such warrants at the said consideration where no applications by shareholders entitled to such warrants are required. Where applications by shareholders entitled to such warrants are required, n equals the number of such Common Shares that equals (A) the number of warrants which underwriters have agreed to underwrite as referred to below or, as the case may be, and (B) the number of warrants for which applications are received from shareholders as referred to below except to the extent already adjusted for under (A).

v = the number of Common Shares which the aggregate consideration

receivable by the Issuer would purchase at such Market Value per Common Share specified in (A) or, as the case may be, (B) above.

Subject as provided below, such adjustment shall become effective, where applications by shareholders entitled to the same are required as aforesaid, immediately after the latest date for the submission of such applications or (if later) immediately after the said consideration is paid in full but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of warrants entitling them to subscribe for or purchase Common Shares where applications by shareholders entitled to the same are required, any warrants which are not subscribed for or purchased by the shareholders entitled thereto are purchased by other persons after the latest date for the submission of applications for such warrants, an adjustment shall be made to the Conversion Price in accordance with the above provisions which shall become effective immediately after the date the Issuer receives the consideration in full, from such other persons but retroactively to immediately after the record date mentioned above.

If, in connection with a grant, issue or offer to the holders of Common Shares of warrants entitling them to subscribe for or purchase Common Shares where applications by shareholders entitled to the same are required, any such warrants which are not subscribed for or purchased by such other persons as referred to above or by the shareholders entitled thereto (or persons to whom shareholders have transferred the right to purchase such warrants) who have submitted applications for such warrants as referred to above are offered to and/or subscribed by others, no further adjustment shall be made to the Conversion Price by reason of such offer and/or subscription.

(v) In case the Issuer shall distribute to all holders of Common Shares, any shares of Capital Stock of the Issuer other than Common Shares, evidences of indebtedness or other assets (other than cash distributions described below) of the Issuer, or rights or warrants to subscribe for or purchase any Capital Stock of the Issuer (other than Common Shares) at less than the Market Value of such indebtedness, assets or Capital Stock, determined as of the date on which the Board of Directors of the Issuer approves such distribution, then in each such case the Conversion Price shall be adjusted in accordance with the following formula:

NCP = OCP x [(M - fmv) / M]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

M = the Market Value per Common Share on the record date for the determination of shareholders entitled to receive such distribution.

fmv = the Fair Market Value (as determined by an independent financial institution selected by the Issuer, at the expense of the Issuer and promptly notified in writing to the Trustee and the Conversion Agent) of the portion of Capital Stock other than Common Shares, evidences of indebtedness or other assets so distributed applicable to one Common Share less any consideration payable for the same by the relevant Shareholder.

(vi) In case the Issuer shall, by dividend or otherwise, distribute to all holders of Common Shares cash then, in such case, the Conversion Price shall be adjusted downward, not upward (with such adjustment to be effective on the record date for the determination of the shareholders

entitled to receive such distribution) in accordance with the following formula and rounded to the nearest cent of a NT Dollar;

NCP = OCP x [1 - (C/M)]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

C = the amount of cash so distributed applicable to one Common Share.
M = the Market Value per Common Share on such record date.

If such dividend or distribution is not so paid or made, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such dividend or distribution had not been approved.

(vii) (A) If the Issuer shall reduce its share capital other than by means of canceling any Common Shares repurchased for the purpose of holding such Common Shares in treasury and does not distribute any cash in connection with such share capital reduction, then the Conversion Price in effect on the record date of such capital reduction shall be adjusted in accordance with the following formula:

NCP = OCP x (N/n)

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding immediately prior to such capital reduction.

n = the number of Common Shares outstanding immediately after such capital reduction.

For the avoidance of doubt, no adjustment to the Conversion Price under this subsection will be required in connection with a capital reduction for the cancellation of treasury shares, including, without limitation, the cancellation of employee restricted shares.

(B) If the Issuer shall reduce its share capital other than by means of canceling any Common Shares repurchased for the purpose of holding such Common Shares in treasury and shall distribute cash in connection with such share capital reduction, the Conversion Price then in effect on the record date of such capital reduction shall be adjusted in accordance with the following formula:

NCP = OCP x (1 – C/c) x N/n

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N and n have the meanings ascribed thereto in clause (A) of this subsection above.
C = the amount of cash distributed per Common Share.
c = the Closing Price on the last Trading Day prior to the reissuance of the Common Shares following such capital reduction.

For the avoidance of doubt, no adjustment to the Conversion Price under this subsection will be required if the Issuer cancels any Common Shares repurchased as treasury shares.

(C) Effective date of adjustment: Such adjustment shall become effective immediately on the record date of such capital reduction.

(viii) In case a tender or exchange offer made by the Issuer for all or any portion of the Common Shares shall expire and such tender or exchange offer shall involve the payment by the Issuer of consideration per Common Share having a Fair Market Value (as determined by an independent financial institution selected by the Issuer, at the expense of the Issuer and promptly notified in writing to the Trustee and the Conversion Agent) at the last time (the "Expiration Date") tenders or exchanges could have been made pursuant to such tender or exchange offer (as it shall have been amended) that exceeds the Market Value per Common Share, as of the Expiration Date, the Conversion Price shall be adjusted in accordance with the following formula

NCP = OCP x [(N x M) / (a + [(N - n) x M])]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding (including any tendered or exchanged Common Shares) on the Expiration Date.

M = Market Value per Common Share as of the Expiration Date.

a = the Fair Market Value of the aggregate consideration payable to the holders of Common Shares based on the acceptance (up to a maximum specified in the terms of the tender or exchange offer) of all Common Shares validly tendered or exchanged and not withdrawn as of the Expiration Date (the Common Shares deemed so accepted up to any such maximum, being referred to as the "Purchased Shares").

n = the number of Purchased Shares.

such reduction to become retroactively effective immediately prior to the opening of business on the Trading Day following the Expiration Date.

If the Issuer is obligated to purchase Common Shares pursuant to any such tender or exchange offer, but the Issuer is permanently prevented by applicable law from effecting any such purchase or all such purchases are rescinded, the Conversion Price shall again be adjusted to be the Conversion Price which would then be in effect if such tender or exchange offer had not been made.

(ix) In case the Issuer issues Common Shares (other than (A) Common Shares issued upon conversion or exchange of any convertible or exchangeable securities (including the Bonds) issued by the Issuer; (B) Common Shares issued upon exercise of any rights or warrants granted, offered or issued by the Issuer; (C) Common Shares issued as employee compensation (including, without limitation, shares issued as employee remuneration and employee restricted shares); or (D) Common Shares issued in any of the circumstances described in subsections (i) and (ii)) or the Issuer shall issue any securities initially convertible into or exchangeable for Common Shares at a price per Common Share less than the Market Value per Common Share determined as of the date on which the Board of Directors or shareholders' meeting of the Issuer approves such issuance, the

Conversion Price in effect immediately prior to the date of issue of such Common Shares or convertible or exchangeable securities shall be adjusted and become effective in accordance with the following formula:

NCP = OCP x [(N + v) / (N + n)]

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding on the date of issuance of such Common Shares or initially convertible or exchangeable securities, immediately prior to such issuance, which shall exclude the treasury shares that have not been cancelled or transferred; provided that, if such convertible or exchangeable securities are to be satisfied through the delivery of treasury shares, such number shall be further reduced by the number of Common Shares issuable or deliverable upon conversion or exchange of such securities.

n = the number of Common Shares issued or issuable upon conversion or exchange of such initially convertible or exchangeable securities.

v = the number of Common Shares which the aggregate consideration receivable by the Issuer for the Common Shares issued or issuable would purchase at Market Value; in the case of convertible or exchangeable securities, such aggregate consideration shall be the aggregate conversion or exchange price of the securities. If the Common Shares are issued in connection with a consolidation, merger or share exchange, the issue price per Common Share shall be (x) if the merged, dissolved or acquired company is listed or traded over-the-counter, the closing price of its common shares on the date on which the applicable share exchange ratio was approved by its shareholders, multiplied by such share exchange ratio, or (y) if such company is not listed or traded over-the-counter, the fair value per common share of such company determined by an independent expert in a fairness opinion, multiplied by such share exchange ratio.

If the conversion or exchange right of any such convertible or exchangeable securities expires prior to exercise, the Conversion Price shall be readjusted to reflect the actual securities converted or exchanged.

(x) In case the Issuer reissues the Common Shares to change the par value of the Common Shares, then the Conversion Price shall be adjusted in accordance with the following formula:

NCP = OCP x (N / n)

where:

NCP and OCP have the meanings ascribed thereto in subsection (i) above.

N = the number of Common Shares outstanding immediately prior to such change of par value of Common Shares.

n = the number of Common Shares outstanding immediately after such change of par value of Common Shares.

Such adjustment shall become effective immediately on the record date for exchanging the Common Share with new par value for the Common Shares with original par value.

(xi) If the Issuer shall declare a dividend in, or make a free distribution or bonus issue of, Common Shares which dividend, issue or distribution is to be paid or made to shareholders as of a record date which is also:

(A) the record date for the issue of any rights or warrants which requires an adjustment of the Conversion Price pursuant to subsections (iii) or (iv) above;

(B) the day immediately before the date of issue of any securities convertible into or exchangeable for Common Shares which requires an adjustment of the Conversion Price pursuant to subsection (ix) above;

(C) the day immediately before the date of a distribution which requires an adjustment of the Conversion Price pursuant to subsection (v) above;

(D) the record date for distribution of cash which requires an adjustment of the Conversion Price pursuant to subsection (vi) above;

(E) the record date of capital reduction which requires an adjustment of the Conversion Price pursuant to subsection (vii) above;

(F) the record date for exchanging the Common Share with new par value for the Common Shares with original par value which requires an adjustment of the Conversion Price pursuant to subsection (x) above;

(G) the Expiration Date with respect to any tender or exchange offer which requires an adjustment to the Conversion Price pursuant to subsection (viii) above; or

(H) the relevant date for an analogous event or circumstance which requires an adjustment to the Conversion Price;

then (except where such dividend, bonus issue or free distribution gives rise to a retroactive adjustment of the Conversion Price under subsections (i) or (ii) above) no adjustment of the Conversion Price in respect of such dividend, bonus issue or free distribution shall be made under the relevant subsections, but in lieu thereof an adjustment shall be made (A) under subsections (iii), (iv), (ix) or (x) above, as applicable, by including in the denominator of the fraction described therein the aggregate number of Common Shares to be issued pursuant to such dividend, bonus issue or free distribution and (B) under subsections (v), (vi), (vii) and (viii) above, as applicable, by multiplying the Conversion Price after the adjustment under such subsections by a fraction the numerator of which is the number of Common Shares outstanding on the record date and the denominator of which is the sum of such number of Common Shares outstanding and the aggregate number of Common Shares to be issued pursuant to such dividends, bonus issue or free distribution.

(xii) In case of a Merger of the Issuer, each Bond then outstanding shall, without the consent of any Bondholders, become convertible only into the kind and amount of securities, cash and other property receivable upon such Merger by a holder of the number of Common Shares, into which such Bonds could have been converted immediately prior to such Merger. The

corporation formed by such Merger or the Person that acquired such properties and assets shall enter into a supplemental indenture with the Trustee to provide for the continuation of the Conversion Rights to continue after such Merger and such supplemental indenture shall provide for adjustments to the Conversion Price which shall be as nearly equivalent as practicable to the adjustments provided in the Indenture provided that where there has been a Change of Control pursuant to such a Merger, a Holder may exercise its Change of Control Put Right as set forth in "— Repurchase in the Event of Change of Control".

If any event or circumstance analogous to the events and circumstances described in subsections (i) through (x) occur, the Conversion Price shall be adjusted as set forth in the analogous subsection in the Indenture.

Provisions Applicable to All Conversions and Adjustments of Conversion Price

No adjustment of the Conversion Price will be required to be made until cumulative adjustments, required to be made in the circumstances set forth above, amount to 1.0% or more of the Conversion Price as last adjusted. However, any adjustment, required to be made in the circumstances set forth above, which is not made because of failure to meet the 1.0% threshold, will be carried forward. Except as otherwise described below, the Conversion Price may at any time be reduced by the Issuer.

The Issuer will not take any action which would reduce the Conversion Price per Common Share below the par value of the Common Shares (currently NT$10 per share), unless, under applicable law then in effect, the Bonds could be converted at such reduced Conversion Price into legally issued, fully-paid and non-assessable Common Shares.

All calculations relating to conversion, including adjustments of the Conversion Price, will be made to the lower
0.001 of a share of securities or other property or nearest cent of a NT Dollar, as the case may be.

Whenever the Conversion Price is adjusted, the Issuer will promptly file with the Trustee and the Conversion Agent an officer's certificate setting forth the date on which such adjustment became effective, the Conversion Price after such adjustment and prior to such adjustment and setting forth a brief statement of the facts requiring such adjustment. Promptly after receipt of such certificate, the Issuer will prepare a notice of such adjustment of the Conversion Price setting forth the adjusted Conversion Price, the Conversion Price prior to such adjustment, a brief statement of the facts requiring such adjustment and the date on which such adjustment became effective and shall give such notice of such adjustment of the Conversion Price to each Holder of a Bond.

Events of Default; Notice and Waiver

The Indenture provides that, if one or more of the following events or conditions (each an "Event of Default") shall have occurred, either the Trustee or the Holders of not less than 25% in aggregate principal amount of the Bonds then outstanding (by notice in writing to the Issuer and to the Trustee) may, and the Trustee at the written direction of Holders of not less than 25% in aggregate principal amount of the Bonds then outstanding (subject to the Trustee being indemnified and/or secured and/or prefunded by such Holders to its satisfaction) shall declare the Bonds to be immediately due and payable at the Settlement Equivalent of the Early Redemption Amount, Additional Amounts, if any, and other amounts. In the case of certain events of bankruptcy or insolvency, the Bonds shall automatically become and be immediately due and payable at the Settlement Equivalent of the Early Redemption Amount, Additional Amounts, if any, and other amounts. Under certain circumstances, the Holders of a majority in aggregate principal amount of the outstanding Bonds may rescind any such acceleration with respect to the Bonds and its consequences.

Under the Indenture, Events of Default include:

(i) default in payment of the principal of or premium (if any) on any Bond, as and when the

same becomes due and payable, and continuance of such default for five Business Days;

(ii) default in the payment of Additional Amounts upon any Bond as and when the same becomes due and payable, and continuance of such default for five Business Days;

(iii) failure by the Issuer to deliver the Common Shares as and when such Common Shares are required to be delivered following conversion of a Bond and which default is not remedied within five Business Days;

(iv) failure on the part of the Issuer duly to observe or perform any of the covenants or agreements provided in the Bonds or the Indenture (other than those referred to in clauses (i), (ii) or (iii) above) which failure cannot be remedied or, if such failure is capable of being remedied, is not remedied within 30 days after the date on which written notice thereof requiring the Issuer to remedy the same shall have been given to the Issuer by the Trustee or the Holders of at least 25% in aggregate principal amount of the Bonds then outstanding;

(v) there shall have been entered against the Issuer or any of its Principal Subsidiaries a final and non-appealable judgment, decree or order by a court of competent jurisdiction for the payment of money in excess of US$200 million with respect to the Issuer or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) and 60 days shall have passed since the entry of the order without it being bonded, satisfied, discharged or stayed;

(vi) A) the Issuer or any of its Principal Subsidiaries shall fail to make any payment with respect to present or future Debt (other than the Bonds) in an aggregate principal amount in excess of US$200 million with respect to the Issuer or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) when and as the same shall become due and payable, if such failure shall continue for more than the period of grace, if any, originally applicable thereto or (B) the Issuer or any of its Principal Subsidiaries shall fail to perform or observe any covenant or agreement to be performed or observed by the Issuer or any of its Principal Subsidiaries contained in any agreement or instrument evidencing Debt (other than the Bonds) in an aggregate principal amount in excess of US$200 million with respect to the Issuer or any of its Principal Subsidiaries (or its equivalent in any other currency or currencies) and such failure results in the acceleration of the maturity of any amount owing thereunder;

(vii) a decree or order by a court having jurisdiction shall have been entered under any applicable bankruptcy, insolvency, reorganization or other similar law (A) adjudging the Issuer or any of its Principal Subsidiaries as bankrupt or insolvent, or approving as properly filed a petition seeking reorganization of the Issuer or any of its Principal Subsidiaries or (B) appointing a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of the Issuer or any of its Principal Subsidiaries or of its property or
(C) ordering the winding up or liquidation of the affairs of the Issuer or any of its Principal Subsidiaries and in any such case such decree or order shall have continued undischarged and unstayed for a period of 60 days;

(viii) the Issuer or any of its Principal Subsidiaries shall voluntarily commence proceedings to be adjudicated a bankrupt or insolvent, or shall consent to the filing of a bankruptcy or insolvency proceeding against it, or shall file a petition or answer or consent seeking reorganization under any applicable bankruptcy, insolvency, reorganization or other similar law or shall consent to the filing of any such petition, or shall consent to the appointment of a receiver or liquidator or trustee or assignee in bankruptcy or insolvency of it or its property, or shall make an assignment for the benefit of creditors;

(ix) a distress, attachment, execution or other legal process is levied, enforced or sued out on or

against all or any material part of the property, assets or revenues of the Issuer or any of its Principal Subsidiaries and is not stayed or discharged within 60 days;

(x) any step is taken by any person with a view to the expropriation or nationalization of all or a material part of the assets of the Issuer or any of its Principal Subsidiaries;

(xi) any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorization, exemption, filing, license, order, recording or registration) at any time required to be taken, fulfilled or done in order (a) to enable the Issuer lawfully to enter into, exercise its rights and perform and comply with its obligations under the Bonds and the Indenture, (b) to ensure that those obligations are legally binding and enforceable, and (c) to make the Bonds and the Indenture admissible in evidence in the courts of the ROC is not taken, fulfilled or done and, if capable of being remedied, is not remedied within 45 days after the date of the Trustee's notice;

(xii) it is or will become unlawful for the Issuer to perform or comply with any one or more of its obligations under any of the Bonds or the Indenture; or

(xiii) any event occurs which under the laws of the ROC or any other jurisdiction in which the Issuer or any of its Principal Subsidiaries is organized or is resident for tax purposes has an analogous effect to any of the events referred to in any of paragraphs (i) to (xii) (both inclusive).

If an Event of Default shall have occurred and be continuing, interest shall accrue on the overdue sum at the rate of 2% per annum from the due date to and including the date on which payment is made to the Holders. Such default interest shall accrue on the basis of the actual number of days elapsed and a 360-day year consisting of 12 months of 30 days each.

The Trustee shall, within 90 days after the occurrence of any Default or Event of Default or, if later, within 15 days of receipt of written notice of any Default or Event of Default, give Holders notice of all Defaults or Events of Default, unless such Defaults or Events of Default shall have been cured or waived and the Trustee shall have been notified so in writing before the giving of such notice.

The Holders of a majority in aggregate principal amount of the outstanding Bonds may direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee; provided that such direction shall not conflict with any law or the Indenture and is subject to certain other limitations. The Trustee may refuse to perform any duty, exercise any right or power, extend or risk its own funds or otherwise incur any financial liability unless it receives indemnity, prefunding and/or security satisfactory to it against any loss, liability or expense. For so long as the Bonds are represented by one or more Global Bonds, the Trustee may, to the extent permitted by the Indenture, treat the beneficial owners of the Global Bonds, as shown in the records of Euroclear or Clearstream, as applicable, as Holders solely for purposes of providing directions or instructions to the Trustee. No Holder will have the right to pursue any remedy with respect to the Indenture or the Bonds unless:

(i) such Holder shall have previously given the Trustee written notice of a continuing Event of Default;

(ii) the Holders of at least 25% in aggregate principal amount of the outstanding Bonds shall have made a written request to the Trustee to pursue such remedy;

(iii) such Holder or Holders shall have offered to the Trustee security and/or indemnity and/or prefunding against any loss, liability or expense satisfactory to it;

(iv) the Trustee shall have failed to comply with the request within 60 days after receipt

of such notice, request and provision of security and/or indemnity and/or prefunding; and

(v) the Holders of a majority in aggregate principal amount of the outstanding Bonds shall not have given the Trustee a direction inconsistent with such request within 60 days after receipt of such request.

The right of any Holder (i) to receive payment of the principal of the Bonds, Additional Amounts, the Delisting Put Price upon exercise of the Delisting Put Right, the Trading Suspension Put Price upon exercise of the Trading Suspension Put Right or the Change of Control Put Price upon exercise of the Change of Control Put Right, or to receive Common Shares on or after the applicable Conversion Date, (ii) to convert its Bonds or (iii) to bring suit for the enforcement of any such right, shall not be materially impaired or materially adversely affected without the consent of the Holders of not less than 75% in aggregate principal amount of the outstanding Bonds.

The Holders of a majority in aggregate principal amount of Bonds at the time outstanding may waive any existing Default and its consequences, except (i) any default in any payment on the Bonds, (ii) any default with respect to the Conversion Rights of Holders or (iii) any default with respect to certain covenants or provisions in the Indenture which may not be modified without the consent of the Holder as described in "— Meeting of Bondholders; Modification and Waiver" below. When a Default is waived, it is deemed cured and shall cease to exist, but no such waiver shall extend to any subsequent or other Default or impair any consequent right.

The Trustee and the Agents shall not be required to take any steps to ascertain whether a Default or an Event of Default or any event which could lead to the occurrence of a Default or an Event of Default has occurred and will not be responsible to Holders or any other person for any loss arising from any failure by it to do so. The Trustee or the Agents shall be entitled to assume that no such event has occurred and that the Issuer is performing all its obligations under the Indenture and the Bonds until they have received written notice to the contrary from the Issuer. The Trustee is entitled to rely on any opinion of counsel or officer's certificate regarding whether a Default or an Event of Default has occurred.

The Issuer will be required to furnish to the Trustee annually, and within 14 days at the request of the Trustee, a statement concerning the performance and observance of its obligations under the Bonds or the Indenture. In addition, the Issuer is required to file promptly with the Trustee written notice of the occurrence of any Default or Event of Default, specifying each such default and the nature and status thereof.

Prescription

Claims in respect of payment of the principal of or other amounts on the Bonds will be prescribed unless made within a period of six years from the relevant due date of payment in respect thereof.

Under ROC laws, claims in respect of the payment of (a) principal and (b) interest (inclusive of redemption premium) would become unenforceable after 15 years and 5 years, respectively from the relevant due date of payment in respect thereof.

Meeting of Bondholders; Modification and Waiver

The Indenture contains provisions for convening meetings (including by way of teleconference or videoconference call) of the Holders to consider any matter affecting their interests, including the approval of certain amendments or modifications of the Bonds or the provisions of the Indenture. Such approval may be obtained by either the written consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Bonds or at a meeting of the Holders duly called by persons entitled to vote a majority in the aggregate principal amount of the outstanding Bonds. The quorum at any such meeting shall be two or more persons entitled to vote a majority in the aggregate principal amount of the outstanding Bonds.

Modifications and amendments of the Indenture or the Bonds may be made by the Issuer and the Trustee with the written consent of the Holders of not less than a majority in aggregate principal amount of the outstanding Bonds; provided that no such modification or amendment may, without the consent of the Holders of not less than 75% in aggregate principal amount of the outstanding Bonds:

(i) change the Maturity Date of the principal of any Bond;

(ii) reduce the principal of or other amounts on any Bond or Settlement Equivalent payable in respect of the Bonds, or change the method of calculation of the Settlement Equivalent;

(iii) increase the then current Conversion Price (except as required by the anti-dilution provisions of the Indenture);

(iv) change the place or currency of payment of the principal of or other amounts on any Bond or the method of calculating any such payment;

(v) alter the obligations of the Issuer under "— Certain Covenants — Negative Pledge", "— Certain Covenants — Consolidation, Amalgamation or Merger" or "— Additional Amounts" above;

(vi) materially adversely affect the Conversion Right, the Delisting Put Right, the Trading Suspension Put Right or the Change of Control Put Right;

(vii) modify the obligations of the Issuer to maintain an office or agency in the place or places required under the Indenture;

(viii) reduce the above-stated percentage of outstanding Bonds the consent of whose Holders is necessary to modify or amend the Indenture;

(ix) reduce the percentage or aggregate principal amount of outstanding Bonds the consent of whose Holders is necessary for waiver of compliance with certain provisions of the Indenture or for waiver of certain Defaults;

(x) modify any of the percentage voting and quorum provisions described under "— Meeting of Bondholders; Modification and Waiver"; or

(xi) release the Issuer from any obligation under the Indenture other than in accordance with the provisions of the Indenture, or amend or modify any provision relating to such release in a manner that materially adversely affects the rights of the Holders.

Neither the Issuer nor any of its Subsidiaries will, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise to any Holder for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of the Indenture or the Bonds, unless such consideration is offered to be paid or agreed to be paid to all Holders that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or amendment.

Without the consent of any Holder, the Issuer together with the Trustee may amend the Indenture to:

(i) cure any ambiguity, manifest errors, defect or inconsistency in the Indenture or the Bonds;

(ii) provide for the assumption of the Issuer's obligations under the Bonds and the Indenture by the surviving Person in a Merger effected in accordance with the provisions of the Indenture described under "—Certain Covenants — Consolidation, Amalgamation or Merger" above;

(iii) make any other change that does not materially adversely affect the rights of any Holder;

(iv) make any change necessary to comply with applicable ROC laws and regulations;

(v) add to the covenants or obligations of the Issuer under the Indenture or decrease the Conversion Price at the discretion of the Issuer or surrender any right, power or option conferred by the Indenture on the Issuer; or

(vi) effect any changes to the Indenture in a manner necessary to comply with the procedures of the Common Depositary, Euroclear or Clearstream or any other applicable clearing system.

Notices

Whenever the Indenture provides for notice to be given to Holders, such notice will be validly given (except as otherwise expressly provided) if in writing and delivered to each Holder entitled thereto at such Holder's address as it appears on the Bond register. Any such notice shall be deemed to have been given on the seventh day after being so delivered. Notwithstanding the foregoing, for so long as the Bonds are represented by Global Bonds, notice to Holders may be given by delivery of the relevant notice to the Common Depositary, Euroclear or Clearstream, as applicable, for communication by the relevant clearing system to entitled account holders in substitution for individual notification.

Concerning the Trustee

The Indenture provides that, prior to the occurrence of an Event of Default, the Trustee will not be liable except for the performance of such duties as are specifically set forth in such Indenture and no implied covenant, duty or obligation shall be read into the Indenture, the Bonds or any documents to which the Trustee is a party against the Trustee. If an Event of Default has occurred and is continuing, the Trustee will be obligated to use the same degree of care and skill as a prudent person would exercise under the circumstances in the conduct of such person's own affairs; provided that the Trustee will be under no obligation to exercise any right or power at the request or direction of any Holder unless such Holder has offered indemnity and/or security and/or pre-funding satisfactory to the Trustee against the costs, liabilities or expenses that might be incurred. The Trustee will not be liable for an error of judgment made in good faith unless it is proved in a final decision of a court of competent jurisdiction that the Trustee was grossly negligent in ascertaining the pertinent facts. The Trustee will not be responsible for any loss, liability, cost, claim, actions, demand, expense or inconvenience which may result from its exercise or non-exercise of any rights or powers conferred under the Indenture for the benefit of the Holders. Whenever in the Indenture, the Bonds or by law, the Trustee shall have discretion or permissive power, it may decline to exercise the same in the absence of approval by the Bondholders. In the exercise of its duties, the Trustee shall not be responsible for the verification of the accuracy or completeness of any certification submitted to it by the Issuer and is entitled to rely conclusively on the certification contained therein, and take action based on the information contained in, the certification or legal opinion. Notwithstanding anything described herein, the Trustee has no duty to monitor the performance or compliance of the Issuer in the fulfillment of its obligations under the Indenture and the Bonds. Furthermore, the Trustee shall not be deemed to have knowledge of any event unless it has been actually notified in writing of such event.

The Trustee shall not be responsible for the performance by the Issuer or any other person appointed by the Issuer in relation to the Bonds and, unless notified in writing to the contrary, shall assume that the same are being duly performed. The Trustee shall not be liable to any Holders or any other person for any action taken by the Holders or the Trustee in accordance with the instructions of the Holders.

The Trustee is entitled to rely conclusively on all instructions, notices, declarations and certifications received pursuant to the Indenture or the Bonds without investigating or being responsible for the accuracy, authenticity and validity of these instructions, notices, declarations and certifications.

Neither the Trustee nor the Agents will be responsible for making calculations or for verifying calculations performed by the Issuer or any other persons or have a duty to verify the accuracy, validity and/or authenticity of any documents in relation to or in connection therewith, and shall not be liable to the Issuer, the Holders or any other person for not doing so.

Pursuant to the terms of the Indenture and the Bonds, the Issuer will reimburse the Trustee and the Agents for all properly incurred expenses except to the extent that any such expense was due to the Trustee's fraud, willful misconduct or gross negligence.

The Indenture contains limitations on the rights of the Trustee, should it become a creditor of the Issuer to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The Trustee is permitted to engage in other transactions with the Issuer and its Affiliates and shall not be obligated to account for any profits therefrom; *provided, however*, that if it becomes aware it has acquired any conflicting interest that may have a materially prejudicial effect upon the Holders, it must eliminate such conflict or resign. The Trustee and the Agents may have an interest in, may be providing, or may in the future provide financial or other services to other parties.

If an Event of Default occurs and is continuing, the Trustee may, but will not be obliged to, and shall, upon written request of Holders of at least 25% in aggregate principal amount of outstanding Bonds (subject to receiving indemnity and/or prefunding and/or security to its satisfaction), pursue, in its own name or as trustee of an express trust, any available remedy by proceeding at law or in equity to collect the payment of principal of and other amounts on the Bonds or to enforce the performance of any provision of the Bonds or this Indenture. The Trustee may maintain a proceeding even if it does not possess any of the Bonds or does not produce any of them in the proceeding.

The Trustee will not be under any obligation to exercise and have absolute and uncontrolled discretion as to exercise or non-exercise of any rights or powers conferred under the Indenture for the benefit of the Holders unless such Holders have instructed the Trustee in writing and offered to the Trustee indemnity and/or security and/or pre-funding satisfactory to the Trustee against any loss, liability or expense. Furthermore, each Holder, by accepting the Bonds will agree, for the benefit of the Trustee, that it is solely responsible for its own independent appraisal of and investigation into all risks arising under or in connection with the Indenture and has not relied on and will not at any time rely on the Trustee in respect of such risks.

The Trustee will not be responsible for any loss or damage, or failure or delay in performing any duty or obligation, arising directly or indirectly from a Force Majeure Event or where, in the reasonable opinion of the Trustee, performance would be illegal or would result in a breach of applicable law or regulatory requirements.

Disclosure Obligations

The Indenture provides that the Issuer may have certain disclosure obligations and reporting obligations under ROC law if:

(i) the person to be registered as a shareholder of the Issuer is a "related party" of the Issuer under the Regulations Governing the Preparation of Financial Reports by Securities Issuers of the ROC and such person beneficially owns Common Shares converted from the Bonds; or

(ii) the person to be registered as a shareholder owns Common Shares issued upon conversion of the Bonds and the Common Shares so issued on conversion exceed 10% of the total number of Common Shares expected to be issued upon conversion of the Bonds based on the conversion price at the time of issue of the Bonds.

Due to these obligations, the Issuer may ask the converting Holders to disclose the name of the

person to be registered as the shareholder and to provide proof of identity and genuineness of any signature and other documents before it will convert the Bonds. The conversion of Bonds may be delayed until the Issuer receives the requested information and satisfactory evidence of the compliance with all laws and regulations by the Holders. The information the Holder is required to provide may include the name and nationality of the person to be registered as a shareholder of the Issuer and the total number of Common Shares such person is converting or has converted in the past.

Governing Law and Jurisdiction

The Indenture and the Bonds are governed by, and shall be construed in accordance with, the laws of the State of New York. In relation to any legal action or proceedings arising out of or in connection with the Indenture and the Bonds, the Issuer has in the Indenture irrevocably submitted to the non-exclusive jurisdiction of the New York State and United States Federal courts sitting in the Borough of Manhattan, The City of New York. The Issuer has appointed Law Debenture Corporate Services Inc. at 420 Lexington Avenue, Suite 901, New York, New York 10170, as its agent for service of process.

Bondholders should note that the approval for issuance of the Bonds and the exercise of any Conversion Right are subject not only to the provisions of the Indenture but also to the applicable ROC laws and regulations.

TAXATION

You should consult your tax advisors concerning the tax consequences of owning the Bonds or Common Shares and the laws of any relevant tax jurisdiction to which you are subject.

ROC Taxation

The following summary addresses the principal ROC tax consequences of the ownership and disposition of the Bonds or Common Shares to a Non-ROC Resident Individual or Non-ROC Resident Entity (each a "Non-ROC Holder"). As used in the preceding sentence, a "Non-ROC Resident Individual" is a foreign national who owns the Bonds or Common Shares and does not reside in the ROC for 183 days or more during any calendar year, and a "Non-ROC Resident Entity" is a corporation or a non-corporate body that owns the Bonds or Common Shares and is organized under the laws of a jurisdiction other than the ROC and has no fixed place of business or business agent in the ROC.

You should consult your tax advisors concerning the ROC tax consequences of owning the Bonds or Common Shares and the laws of any relevant tax jurisdiction to which you are subject.

Bonds

Possible Interest Payments

Payments of interest or premium (if any ever becomes payable on the Bonds) to a Non-ROC Holder constitute interest income derived from the ROC and, therefore, are subject to ROC withholding tax at a rate of 15% at the time of payment unless a lower withholding rate is provided under a tax treaty between the ROC and the jurisdiction where the Non-ROC Holder is a resident. We have agreed to pay Additional Amounts in respect of such withholding tax on the payments of interest or premium. See "Description of the Bonds — Additional Amounts."

Sale

The sale of convertible bonds which were issued and offered by ROC companies outside of the ROC is not subject to ROC securities transaction tax according to a tax directive issued by the MOF dated March 23, 2010. Accordingly, the sale of the Bonds will not be subject to the securities transaction tax.

Gains from the sale of property in the ROC are generally subject to ROC income tax. However, under current ROC law, capital gains in transactions of corporate bonds issued by ROC companies are exempt from income tax. This exemption applies to capital gains derived from the sale of the Bonds.

Conversion into Common Shares

The conversion of the Bonds into Common Shares is not subject to ROC tax. However, securities transaction tax, gift tax and/or income tax may be imposed in relation to the converting holder's designation of another person to be the holder of Common Shares upon conversion of the Bonds.

Common Shares

Dividends on the Common Shares

Dividends (whether in cash or Common Shares) distributed by us out of retained earnings and paid out to Non-ROC Holders of Common Shares are normally subject to ROC income tax collected by way of withholding at the time of distribution. The current rate of withholding for Non-ROC Holders of Common Shares is 21% of the amount of the distribution, unless a lower withholding rate is provided under a tax treaty between the ROC and the jurisdiction where the Non-ROC Holder is a resident.

Distributions of stock dividends declared by us out of capital reserves are not subject to withholding tax, except under limited circumstances.

In accordance with the ROC Income Tax Act, a 5% retained earnings tax will be imposed on a company for its after-tax earnings generated after January 1, 2018 which are not distributed in the following year. The retained earnings tax so paid will further reduce the retained earnings available for future distribution.

Pre-emptive Rights

Distributions of statutory subscription rights for the Common Shares in compliance with the ROC Company Act are not subject to ROC tax. Proceeds derived from sales of statutory subscription rights evidenced by securities are subject to securities transaction tax, currently at the rate of 0.3% of the gross amount received. Non-ROC Holders are exempt from income tax on any capital gains from such sales. However, proceeds derived from sales of statutory subscription rights which are not evidenced by securities are subject to income tax at the rate of 20% of the gains realized. Subject to compliance with ROC law, we have the sole discretion to determine whether statutory subscription rights shall be evidenced by the issuances of securities.

Sale

Under current ROC law, Non-ROC Holders are exempt from income tax on any capital gains generated from the sale of Common Shares.

The ROC Government imposes a securities transaction tax that will apply to sales of the Common Shares. The transaction tax, which is payable by the seller, is levied on sales of Common Shares at the rate of 0.3% of the gross amount received.

Estate Tax and Gift Tax

ROC estate tax is payable on any property within the ROC of a deceased Non-ROC Resident Individual, and ROC gift tax is payable on any property within the ROC donated by a Non-ROC Resident Individual. Estate tax and gift tax are currently imposed at progressive rates of 10%, 15% and 20%. Under ROC estate and gift tax laws, the Bonds and Common Shares are deemed located in the ROC without regard to the location of the owner.

Tax Treaty

At present, the ROC has double tax treaties with Indonesia, Singapore, New Zealand, Australia, South Africa, Gambia, Senegal, Sweden, Eswatini, Malaysia, North Macedonia, the Netherlands, Belgium, Denmark, the UK, Vietnam, Israel, Paraguay, Hungary, France, India, Slovakia, Switzerland, Germany, Thailand, Kiribati, Luxembourg, Austria, Italy, Japan, Canada, Poland, Czech Republic, Saudi Arabia, South Korea and Tuvalu. These tax treaties may provide a reduced withholding tax rate on interest and dividends paid with respect to bonds or shares in ROC companies.

United States Federal Income Tax Considerations

The following are certain U.S. federal income tax consequences of ownership and disposition of the Bonds and Common Shares to the U.S. Holders described below. This discussion applies only to (i) Bonds that are purchased in this offering at the offering price and (ii) Common Shares received by a holder described in (i) above upon conversion of Bonds into Common Shares, in each case held as capital assets. This discussion does not describe all of the tax consequences that may be relevant to an investor in light of the investor's particular circumstances, including alternative minimum tax and Medicare contribution tax consequences, or to investors subject to special rules, such as

- certain financial institutions;
- dealers or traders in securities that use the mark-to-market method of tax accounting;

- persons holding Bonds or Common Shares as part of a hedge, "straddle," integrated transaction or similar transactions;
- life insurance companies;
- a person that acquires or sells Bonds or Common Shares as part of a wash sale for tax purposes;
- persons whose functional currency is not the US dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- tax-exempt entities;
- persons that own, or are deemed to own, 10% or more of the total combined value or voting power of the Company's stock; or
- persons holding the Bonds or Common Shares in connection with a trade or business outside the United States.

If an entity that is classified as a partnership for U.S. federal income tax purposes owns Bonds or Common Shares, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partnerships owning Bonds or Common Shares and partners in such partnerships should consult their tax advisors as to the particular U.S. federal income tax consequences of owning and disposing of the Bonds or Common Shares.

This summary is based on the Internal Revenue Code of 1986, as amended (the "Code"), administrative pronouncements, judicial decisions and final, temporary and proposed Treasury Regulations, changes to any of which subsequent to the date of this offering circular may affect the tax consequences described herein. Persons considering the purchase of Bonds are urged to consult their tax advisors with regard to the application of the U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the laws of any state, local or foreign taxing jurisdiction.

As used herein, the term "U.S. Holder" means a beneficial owner of a Bond or Common Share that is, for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation, or other entity taxable as a corporation, created or organized in or under the laws of the United States, any state therein or the District of Columbia; or
- an estate or trust the income of which is subject to U.S. federal income taxation regardless of its source.

Except as described below, this discussion assumes that the Company is not, and will not become, a passive foreign investment company.

Bonds

Original Issue Discount. Although the principal amount of the Bonds is stated in US dollars and all cash payments on the Bonds will be made in US dollars, the Bonds should be treated as denominated in NT dollars for U.S. federal income tax purposes. Accordingly, the issue price of the Bonds should equal the NT dollars equivalent, determined at the applicable spot exchange rate on the Closing Date, of the USD issue price of the Bonds (the "NT Dollars Issue Price"), and the stated redemption price at maturity of the Bonds should equal the NT dollars amount used, pursuant to the Settlement Equivalent, to determine the US dollars amount payable at maturity (the "NT Dollars Maturity Payment").

Assuming that there are five complete years from the issue date to maturity, the original issue discount ("OID") on the Bonds will not be treated as de minimis if the excess of the NT Dollars Maturity Payment over the NT Dollars Issue Price is at least 1.25% of the NT Dollars Maturity Payment. If the OID is not de minimis, the Bonds would be treated as issued with OID equal to such difference and a U.S. Holder would be required to include such OID in income over the term of the Bonds. The amount of OID that a U.S. Holder would include in income is calculated using a constant-yield method, and accordingly a U.S. Holder would generally include increasingly greater amounts of OID in income over the life of the U.S. Holder's Bond.

Such inclusions would be calculated in NT dollars and would be translated into US dollars using one of two methods. Under the first method, a U.S. Holder would determine the amount of income accrued based on the average exchange rate in effect during the interest accrual period or, with respect to an accrual period that spans two taxable years, that part of the period within the taxable year.

If the U.S. Holder elects the second method, it would determine the amount of income accrued on the basis of the exchange rate in effect on the last day of the accrual period, or, in the case of an accrual period that spans two taxable years, the exchange rate in effect on the last day of the part of the period within the taxable year. If a U.S. Holder elects the second method it would apply to all debt instruments that are held by the U.S. Holder at the beginning of the first taxable year to which the election applies and to all debt instruments that the U.S. Holder subsequently acquires. A U.S. Holder may not revoke this election without the consent of the IRS.

Sale, Exchange or Retirement of the Bonds. A U.S. Holder's tax basis in its Bond generally will be the U.S. Holder's US dollar cost of the Bond, adjusted by adding any OID previously included in income with respect to the U.S. Holder's Bond.

Upon the sale, exchange or retirement of a Bond (other than a conversion into Common Shares), a U.S. Holder will recognize taxable gain or loss equal to the difference between the amount realized on the sale, exchange or retirement and the U.S. Holder's adjusted tax basis in the Bond. Any gain or loss will generally be U.S.-source income for purposes of computing a U.S. Holder's foreign tax credit limitation. Gain or loss realized on the sale, exchange or retirement of a Bond will generally be capital gain or loss—except to the extent attributable to changes in exchange rates as described below—and will be long-term capital gain or loss if at the time of sale, exchange or retirement the Bond has been held for more than one year. Long-term capital gains recognized by non-corporate U.S. Holders will be subject to reduced tax rates. The deductibility of capital losses may be subject to limitations.

A U.S. Holder must treat any portion of the gain or loss that it recognizes on the sale, exchange or retirement of a Bond as ordinary income or loss to the extent attributable to differences between the US dollar/NT dollar exchange rate at the time it acquired the Bond or the US dollar/NT dollar exchange rate used to accrue OID, as applicable, and the US dollar/NT dollar exchange rate at the time of the sale, exchange or retirement of the Bond. However, a U.S. Holder would take exchange gain or loss into account only to the extent of the total gain or loss it realizes on the transaction.

Conversion into Common Shares. Except for the exchange gain or loss described below and any gain or loss recognized with respect to cash received in lieu of a fractional Common Share, a U.S. Holder generally will not recognize gain or loss upon conversion of a Bond into Common Shares.

Upon conversion of a Bond, a U.S. Holder generally will recognize exchange gain or loss attributable to changes in the US dollar/NT dollar exchange rate with respect to the NT$ Issue Price of the Bond and any OID accrued through the Conversion Date. The exchange gain or loss initially computed will equal the sum of:

- the difference between the US$ value of the NT$ Issue Price, determined at the spot exchange rate on the Conversion Date, and the US$ value of the NT$ Issue Price, determined at the spot exchange rate on the Closing Date; and

- for each accrual period, including any partial accrual period ending on the Conversion Date, the difference between the US$ value of the NT$ amount of OID accrued for that period, determined at the spot exchange

rate on the Conversion Date, and the US$ value at which that OID was included or is required to be included in income.

Any net exchange gain so computed will be recognized only to the extent of the total gain realized on the conversion, and any net exchange loss so computed will be recognized only to the extent of the total loss realized on the conversion. For this purpose, total gain or loss will equal the difference between (i) the sum of the US$ fair market value on the Conversion Date of the Common Shares received and any cash received in lieu of a fractional Common Share and (ii) the U.S. Holder's adjusted tax basis in the converted Bond immediately before the conversion. Any exchange gain or loss recognized generally will be treated as ordinary income or loss.

A U.S. Holder's tax basis in the Common Shares received upon a conversion of a Bond (including any basis allocable to a fractional Common Share) will equal the tax basis of the Bond that was converted plus any exchange gain and minus any exchange loss recognized on the conversion. A U.S. Holder's tax basis in any fractional Common Share will be determined by allocating the U.S. Holder's adjusted tax basis in the Bonds between the Common Shares received upon conversion and the fractional Common Share, in accordance with their respective fair market values.

The U.S. Holder's holding period for the Common Shares received will include the U.S. Holder's holding period for the Bond converted.

Constructive Dividends. The Conversion Price of the Bonds will be adjusted in certain circumstances. Under the Code and applicable Treasury Regulations, adjustments that have the effect of increasing a U.S. Holder's interest in the Company's assets or earnings and profits may, in some circumstances, result in a deemed distribution to the U.S. Holder.

If the Company were to make a distribution of cash or property to shareholders (for example, distributions of cash or evidences of indebtedness) and the Conversion Price of the Bonds of any series were decreased pursuant to the anti-dilution provisions of the indenture, such decrease would be deemed to be a taxable distribution to the U.S. Holders of the Bonds of that series. Certain other decreases in the Conversion Price of the Bonds may, depending on the circumstances, be deemed to be distributions to the U.S. Holders.

In certain circumstances, the failure to make an adjustment of the Conversion Price or the conversion price of the Company's currently outstanding convertible bonds may result in a taxable distribution to beneficial owners of the Company's Common Shares or Bonds if as a result of such failure the proportionate interest of the shareholders or the Bondholders (as the case may be) in the assets or earnings and profits of the Company is increased.

Any deemed distribution will be taxed in the same manner as an actual distribution. See "— Common Shares — Taxation of Distributions" below. U.S. Holders should consult their tax advisors as to the tax consequences of receiving constructive dividends.

Possible Effect of a Consolidation or Merger. In certain situations, the Company may consolidate or merge into another entity (as described above under "Description of the Bonds — Consolidation, Amalgamation or Merger" and "Description of the Bonds — Adjustments to the Conversion Price"). Depending on the circumstances, a change in the obligor of the Bonds as a result of the consolidation or merger could result in a deemed taxable exchange to a U.S. Holder and the modified Bond could be treated as newly issued at that time, potentially resulting in the recognition of taxable gain or loss. In addition, if as a result of a consolidation or merger the property into which the Bonds may be converted is no longer stock of the obligor of the Bonds, a conversion of the Bonds into such property may be a taxable event.

Treasury Regulations Requiring Disclosure of Reportable Transactions. Treasury regulations require U.S taxpayers to report certain transactions that give rise to a loss in excess of certain thresholds. Under these regulations, U.S. Holder that recognizes a loss with respect to the sale, exchange, conversion or retirement of the Bonds that is characterized as an ordinary loss due to changes in exchange rates would be required to report the loss on IRS Form 8886 (Reportable Transaction Statement) if the loss exceeds the thresholds set forth in the regulations. For

individuals and trusts, this loss threshold is US$50,000 in any single taxable year. For other types of taxpayers and other types of losses, the thresholds are higher. U.S. Holders should consult with their tax advisors regarding any tax filing and reporting obligations that may apply in connection with acquiring, owning and disposing of Bonds.

Common Shares

Taxation of Distributions. Distributions paid on Common Shares, other than certain pro rata distributions of Common Shares, will be treated as dividends to the extent paid out of the Company's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Because the Company does not maintain calculations of its earnings and profits under U.S. federal income tax principles, it is expected that distributions generally will be reported to U.S. Holders as dividends. A U.S. Holder must include any ROC tax withheld from the dividend payment in this gross amount even though it does not in fact receive it. Subject to certain limitations, the ROC tax withheld and paid over to the ROC will generally be creditable or deductible against the U.S. Holder's U.S. federal income tax liability. Dividends will not be eligible for the dividends received deduction generally allowed to U.S. corporations under the Code and will not be eligible for reduced tax rates in the hands of non-corporate U.S. Holders. Dividends will be includible in the income of a U.S. Holder when received by the U.S. Holder. The amount of any dividend income paid in NT dollars with respect to Common Shares will be the US dollar amount calculated by reference to the spot rate in effect on the date the dividend is distributed, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted into US dollars on the date the dividend is distributed, a U.S. Holder of Common Shares should not be required to recognize foreign currency gain or loss in respect of the dividend income. A U.S. Holder of Common Shares may have foreign currency gain or loss if the dividend is converted into US dollars after the date of receipt.

Dividends that the Company pays on its Common Shares will generally be income from sources outside the United States and will generally be "passive" income for purposes of computing the foreign tax credit allowable to a U.S. Holder. However, if (a) the Company is 50% or more owned, by vote or value, by U.S. persons and (b) at least 10% of its earnings and profits are attributable to sources within the United States, then for foreign tax credit purposes, a portion of the Company's dividends would be treated as derived from sources within the United States. With respect to any dividend paid for any taxable year, the United States source ratio of the Company's dividends for foreign tax credit purposes would be equal to the portion of the Company's earnings and profits from sources within the United States for such taxable year, divided by the total amount of the Company's earnings and profits for such taxable year.

Sale or Other Disposition of Common Shares. For U.S. federal income tax purposes, gain or loss a U.S. Holder realizes on the sale or other disposition of Common Shares will generally be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder held the Common Shares for more than one year. The amount of the U.S. Holder's gain or loss will be equal to the difference between the U.S. Holder's tax basis in the Common Shares disposed of and the amount realized on the disposition, in each case as determined in US dollars. Long-term capital gains recognized by non-corporate U.S. Holders will be subject to reduced tax rates. The deductibility of capital losses may be subject to limitations.

As described above under "— ROC Taxation — Common Shares — Sale," Non-ROC Holders (including individual U.S. Holders) are currently exempt from ROC income tax on any capital gains from the sale of Common Shares, although a securities transaction tax at the rate of 0.3% of the gross sale proceeds is payable by the seller. Such tax should not be eligible for a credit against a U.S. Holder's U.S. federal income tax liability but should instead reduce the U.S. Holder's amount realized on the sale. Any gain or loss realized on the sale of Common Shares generally will be U.S.-source for foreign tax credit purposes.

Passive Foreign Investment Company Rules. In general, a foreign corporation will be a "passive foreign investment company" (a "PFIC") for any taxable year in which (i) 75% or more of its gross income consists of passive income or (ii) 50% or more of the average quarterly value of its assets in such taxable year is attributable to assets that produce, or are held for the production of, passive income. If a foreign corporation owns at least 25% (by value) of the stock of another corporation, the foreign corporation will be treated, for purposes of the PFIC tests, as owning its proportionate share of the 25%-owned corporation's assets and receiving its proportionate share of the 25%-owned corporation's income. "Passive income" generally includes dividends, interest, gains from the sale or exchange of investment property, rents and royalties (other than certain rents and royalties derived in the active

conduct of a trade or business) and certain other specified categories of income. The Company believes that it was not a PFIC for its most recent taxable year and does not expect to be a PFIC for its current taxable year or in the foreseeable future. However, because PFIC status depends on the composition of a company's income and assets and the market value of its assets (including assets of 25%-owned subsidiaries) from time to time which may be determined in part by reference to the market price of our Common Shares, there can be no assurance that the Company will not be a PFIC for any taxable year. In addition, the current position that the Company is not a PFIC is based in part upon the value of its goodwill which is based on the market value for its shares. Accordingly, the Company could become a PFIC in the future if there is a substantial decline in the value of its shares. If the Company were treated as a PFIC for any taxable year during which a U.S. Holder held Bonds or Common Shares, certain adverse consequences could apply to the U.S. Holder with respect to:

- any gain the U.S. Holder realizes on the sale or other disposition of its Common Shares and
- any excess distribution that the Company makes to the U.S. Holder (generally, any distributions to the U.S. Holder during a single taxable year, other than the taxable year in which its holding period in the Common Shares begins, that are greater than 125% of the average annual distributions received by the U.S. Holder in respect of the Common Shares during the three preceding taxable years or, if shorter, its holding period for the Common Shares that preceded the taxable year in which it receives the distribution).

If the Company were treated as a PFIC for any taxable year, gain recognized by such U.S. Holder on a sale or other disposition (including certain pledges) of the Common Shares would be allocated ratably over the U.S. Holder's holding period for the Common Shares. The amounts allocated to the taxable year of the sale or other exchange or excess distribution and to any year before the Company became a PFIC would be taxed as ordinary income. The amount allocated to each other prior taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, and an interest charge generally applicable to underpayments of tax would be imposed on the tax on such amount. Under proposed Treasury regulations (which have a retroactive proposed effective date), the sale or other disposition of the Bonds would be treated in the same manner. Certain elections may be available that would result in alternative treatments (such as mark-to-market treatment) of the Common Shares. U.S. Holders should consult their tax advisors to determine whether any of these elections would be available and, if so, what the consequences of the alternative treatments would be in their particular circumstances

If the U.S. Holder owns Common Shares during any year that the Company is a PFIC with respect to the U.S. Holder, it may be required to file Internal Revenue Service ("IRS") Form 8621.

Information with Respect to Foreign Financial Assets

If a U.S. Holder owns "specified foreign financial assets" with an aggregate value in excess of US$50,000 (and in some circumstances, a higher threshold), the U.S. Holder may be required to file an information report with respect to such assets with its tax returns. "Specified foreign financial assets" may include financial accounts maintained by foreign financial institutions, as well as the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by non-U.S. persons, (ii) financial instruments and contracts that have non-U.S. issuers or counterparties, and (iii) interests in foreign entities. U.S. Holders are urged to consult their tax advisors regarding the application of this filing requirement to their ownership of the Bonds and Common Shares.

Backup Withholding and Information Reporting

Information returns may be filed with the Internal Revenue Service in connection with payments on the Bonds, dividends on the Common Shares and the proceeds from a sale or other disposition of the Bonds or Common Shares. A U.S. Holder may be subject to U.S. backup withholding on these payments if the U.S. Holder fails to provide its taxpayer identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. U.S. Holders generally may obtain a refund of any

amounts withheld under backup withholding rules that exceed their income tax liability by filing a refund claim with the IRS.

TRANSFER RESTRICTIONS

Because of the following restrictions, we encourage you to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Bonds or the Common Shares issuable upon conversion of the Bonds.

The Bonds may not be offered or sold directly or indirectly in the ROC or to, or for the account or benefit of, any ROC person. The Bonds and the Common Shares issuable upon conversion of the Bonds have not been registered under the Securities Act and the Bonds may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Bonds are being offered and sold within the United States to persons reasonably believed to be QIBs in reliance on Rule 144A and outside the United States in offshore transactions in reliance on Regulation S.

Except in certain limited circumstances, interests in the Bonds may only be held through interests in the Global Bonds. Such interests in the Global Bonds will be shown on, and transfers thereof will be effected only through, records maintained by Euroclear and Clearstream and their respective direct and indirect participants.

Transfer Restrictions on the Rule 144A Bonds

Each purchaser of Bonds within the United States pursuant to Rule 144A, by accepting delivery of the Bonds, will be deemed to have represented, agreed and acknowledged that:

1. it is a QIB acquiring such Bonds for its own account or it is acquiring such Bonds for the account of a QIB, and it is aware, and each beneficial owner of such Bonds has been advised, that the sale of such Bonds to it is being made in reliance on Rule 144A;

2. it understands that such Bonds and the Common Shares to be issued upon conversion of such Bonds have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except: (i) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (ii) in an offshore transaction in accordance with Regulation S, or (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available), in each case in accordance with any applicable securities laws of any State of the United States;

3. it understands that the Rule 144A Global Bonds and any physical certificate evidencing the Rule 144A Bonds constitute "restricted securities" under the Indenture and, unless otherwise determined by us, will bear a legend to the following effect:

THE CONVERTIBLE BONDS OFFERED HEREBY (THE "BONDS") AND THE COMMON SHARES ISSUABLE UPON CONVERSION OF THE BONDS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. ACCORDINGLY, THE BONDS ARE BEING OFFERED AND SOLD IN THE UNITED STATES ONLY TO QUALIFIED INSTITUTIONAL BUYERS IN RELIANCE ON RULE 144A UNDER THE SECURITIES ACT. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT THE SELLER OF THE BONDS MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A. THE BONDS AND THE COMMON SHARES ISSUABLE UPON CONVERSION THEREOF ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN AND IN THE INDENTURE UNDER WHICH THE BONDS ARE ISSUED. EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THE BONDS EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS;

4.it understands that to exercise its conversion rights it must make the representations, warranties and undertakings, including, among other things, that it is a QIB within the meaning of Rule 144A and with respect to certain restrictions on transfer that may apply to the Common Shares received upon conversion or the Bonds, contained in the conversion notice described under "Description of the Bonds — Conversion";

5.it understands that the Bonds offered in reliance on Rule 144A will be represented initially by one or more Rule 144A Global Bonds. Before any interest in a Rule 144A Global Bond may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in an International Global Bond, it will be required to deliver a written certificate (in the form provided in the Indenture) as to compliance with, among other things, applicable securities laws;

6.if it is acquiring any Bonds for the account of one or more QIBs, it has sole investment discretion with respect to each such account and it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account; and

7.we, the Trustee, the Initial Purchaser and its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Transfer Restrictions on the International Bonds

Each purchaser of the Bonds outside the United States pursuant to Regulation S, by accepting delivery of the Bonds, will be deemed to have represented, agreed and acknowledged that:

1.it understands that such Bonds and the Common Shares to be issued upon conversion of such Bonds have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States or other jurisdiction and are subject to significant restrictions on transfer;

2.it is purchasing such Bonds outside the United States in an offshore transaction meeting the requirements of Regulation S;

3.it agrees (or if it is a broker-dealer, its customer has confirmed to it that such customer agrees) that it (or such customer) will not offer, sell, pledge or otherwise transfer such Bonds except as permitted by the applicable legend set forth in paragraph (4) below;

4.it understands that the International Global Bonds and any physical certificate evidencing the International Bonds will bear a legend to the following effect, unless we determine otherwise in compliance with applicable law, and that it will observe the restrictions contained therein:

THE CONVERTIBLE BONDS OFFERED HEREBY (THE "BONDS") AND THE COMMON SHARES ISSUABLE UPON CONVERSION OF THE BONDS HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE SECURITIES LAWS. EACH HOLDER AND BENEFICIAL OWNER, BY ITS ACCEPTANCE OF THE BONDS EVIDENCED HEREBY, REPRESENTS THAT IT UNDERSTANDS AND AGREES TO THE FOREGOING RESTRICTIONS;

5.it understands that the Bonds offered in reliance on Regulation S will be represented initially by one or more International Global Bonds. Before any interest in an International Global Bond may be offered, sold, pledged or otherwise transferred to a person who takes delivery in the form of an interest in a Rule 144A Global Bond, it and the transferee will be required to deliver written certificates (in the forms provided in the Indenture) as to, among other things, the transferee's status as a QIB; and

6. we, the Trustee, the Initial Purchaser and its affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements.

Each purchaser of Bonds that may wish to resell any Bonds pursuant to Regulation S is advised that approval in-principle has been received for the listing of the Bonds on the SGX-ST.

PLAN OF DISTRIBUTION

Morgan Stanley Asia Limited is the Initial Purchaser of this Offering.

Subject to the terms and conditions stated in a purchase agreement, dated as of August 31, 2026, entered into between the Company and the Initial Purchaser, the Initial Purchaser has agreed to purchase, and the Company has agreed to sell to the Initial Purchaser, the following principal amounts of the Bonds:

Initial Purchaser	Principal Amount
Morgan Stanley Asia Limited	US$3,900,000,000
Total	US$3,900,000,000

The purchase agreement provides that the obligations of the Initial Purchaser to purchase the Bonds included in this Offering are subject to certain conditions, including receipt of certain legal opinions, and entitles the Initial Purchaser to terminate it in certain circumstances prior to payment being made to the Company.The Initial Purchaser or its affiliates may purchase the Bonds for its own account and enter into transactions, including (a) credit derivatives including asset swaps, repackaging and credit default swaps relating to the Bonds and/or the Company's securities or (b) equity derivatives and stock loan transactions relating to the Common Shares at the same time as the offer and sale of the Bonds or in secondary market transactions. Such transactions would be carried out as bilateral trades with selected counterparties and separately from any existing sale or resale of the Bonds to which this offering circular relates (notwithstanding that such selected counterparties may also be purchasers of the Bonds). The Initial Purchaser or its affiliates may purchase Bonds and be allocated Bonds for asset management and/or proprietary purposes and not with a view to distribution. The Initial Purchaser or any of its affiliates is not expected to disclose such transactions or the extent of any such investment, except as required by any legal or regulatory obligation to do so. These transactions may involve a substantial portion of the Bonds.

The Bonds and the Common Shares to be delivered upon conversion of the Bonds have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. See "Transfer Restrictions." The Bonds will not be offered or sold directly or indirectly in the ROC, or to, or for the account or benefit of, any ROC person.

Approval in-principle has been received for the listing of the Bonds on the SGX-ST. However, the Company cannot assure you that the prices at which the Bonds will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the Bonds will develop and continue after this offering.

For a period beginning from the date of the purchase agreement, dated August 31, 2026, entered into between the Company and the Initial Purchaser and ending 90 days following the Closing Date, without the prior written consent of the Initial Purchaser, the Company will not, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition pursuant to (1) any swap or other agreement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Bonds, the underlying shares or any equity securities of the Company (the "Equity Securities") or (2) cash settlement or otherwise) by the Company or any of its affiliates (as defined in Rule 405 under the Securities Act) or any person in privity with the Company or any such affiliate) directly or indirectly, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, and the rules and regulations of the U.S. Securities and Exchange Commission promulgated thereunder, with respect to, or announce the offering of, any Bonds, underlying shares or Equity Securities or any securities convertible into, or exchangeable for, the Bonds, underlying shares or the Equity Securities; provided, however, that the Company may (i) issue employee bonus shares, restricted shares and stock dividends (if any) approved by the Company, (ii) implement stock splits and employee stock option plans, (iii) issue common shares issuable upon the conversion of securities or the exercise of warrants outstanding at the time of execution of the

purchase agreement as described in this offering circular, (iv) sell the Bonds to the Initial Purchaser pursuant to the purchase agreement, and (v) issue Equity Securities in connection with any other employee benefit plan, retirement plan or deferred compensation arrangement described in this offering circular.

NVIDIA agreed to subscribe for, and the Initial Purchaser allocated to NVIDIA, US$3,500,000,000 in aggregate principal amount of the Bonds offered in this Offering, at the same offering price and on the same terms applicable to all other Bonds in this Offering. NVIDIA is neither making nor should be construed to make, any representation regarding the legality or viability of an investment in the Bonds. Investors should not place any reliance on NVIDIA's participation in the Offering as an anchor investor or NVIDIA's investment analysis about us and this Offering, and each investor should make its own independent investment decision.

The Initial Purchaser or its affiliates have performed commercial banking, investment banking or advisory services for us from time to time for which it has received customary fees and reimbursement of expenses. The Initial Purchaser may, from time to time, engage in transactions with and perform services for us in the ordinary course of its business for which it may receive customary fees and reimbursement of expenses.

Pursuant to the purchase agreement, the Company has agreed to indemnify the Initial Purchaser against certain losses and liabilities, including civil liabilities under the Securities Act in certain situations.

The Bonds are being offered and sold (i) within the United States to persons reasonably believed to be QIBs in reliance on Rule 144A and (ii) outside the United States to non-U.S. persons in reliance on Regulation S.

Restriction on related party subscription under ROC law

The Bonds may not be offered or sold directly or indirectly in the ROC, or to, or for the account or benefit of, any ROC person.

Under applicable ROC laws and regulations, the Company and the Initial Purchaser are prohibited from offering and selling the Bonds to the "related parties" as set forth in the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the persons as specified in Section 36 of the ROC Securities Association Rules Governing Underwriting and Resale of Securities by Securities Firms. Therefore, each subscriber or purchaser of the Bonds described in this offering circular will be deemed to have acknowledged and represented to us and the Initial Purchaser that he, she or it is not: (a) a related party to the Company, (b) a business entity that is invested by us using equity method in the Company's accounting reporting, (c) a business entity that invests in the Company and uses equity method in its accounting reporting, (d) a company whose chairperson of the board or president is the same as that of the Company or is the spouse thereof, (e) a foundation with one-third or more of its total paid-in fund donated by the Company, (f) our director, president, vice-president, assistant vice president, and other department heads under the immediate supervision by the Company's president, (g) a spouse of the Company's director or president, (h) a director or employee of any member of the underwriting syndicate or a spouse thereto, (i) a securities firm that participates in the underwriting syndicate, (j) a securities firm serving as a recommending securities firm for the public sale of new shares issued by an emerging stock company for cash capital increase in connection with its initial listing on a stock exchange or an OTC market, and (k) a person subscribing for the Bonds on behalf of or for the benefit of any person set forth in items (b) to (j) above.

Notice to Capital Market Intermediaries and Prospective Investors Pursuant to Paragraph 21 of the Code – Important Notice to CMIs (including Private Banks)

This notice to CMIs (including Private Banks) is a summary of certain obligations the Code imposes on CMIs, which require the attention and cooperation of other CMIs (including Private Banks). Certain CMIs may also be acting as OCs for this Offering and are subject to additional requirements under the Code.

Paragraph 21.3.3(c) of the Code requires that a CMI should take all reasonable steps to identify whether its investor clients may have any associations with the Issuer, a CMI or a company in the same group of companies as the CMI and provide sufficient information to the OC to enable it to assess whether orders placed by these investors may negatively impact the price discovery process.

Prospective investors who are the directors, employees or major shareholders of the Issuer, a CMI or its group companies would be considered under the Code as having an Association with the Issuer, the CMI or the relevant group company. CMIs should specifically disclose whether their investor clients have any Association when submitting orders for the Bonds. In addition, Private Banks should take all reasonable steps to identify whether their investor clients may have any Associations with the Issuer or any CMI (including its group companies) and inform the Initial Purchaser accordingly.

CMIs are informed that the marketing and investor targeting strategy for this Offering includes institutional investors, sovereign wealth funds, pension funds, hedge funds, family offices and high net worth individuals, in each case, subject to the selling restrictions and any MiFID II product governance language (if applicable) set out elsewhere in this offering circular.

CMIs should ensure that orders placed are bona fide, are not inflated and do not constitute duplicated orders (i.e., two or more corresponding or identical orders placed via two or more CMIs). CMIs should enquire with their investor clients regarding any orders which appear unusual or irregular. CMIs should disclose the identities of all investors when submitting orders for the Bonds (except for omnibus orders where underlying investor information should be provided to the OCs when submitting orders). Failure to provide underlying investor information for omnibus orders, where required to do so, may result in that order being rejected. CMIs should not place "X-orders" into the order book.

CMIs should segregate and clearly identify their own proprietary orders (and those of their group companies, including Private Banks as the case may be) in the order book and book messages.

CMIs (including Private Banks) should not offer any rebates to prospective investors or pass on any rebates provided by the Issuer. In addition, CMIs (including Private Banks) should not enter into arrangements which may result in prospective investors paying different prices for the Bonds.

The Code requires that a CMI disclose complete and accurate information in a timely manner on the status of the order book and other relevant information it receives to targeted investors for them to make an informed decision. In order to do this, the Initial Purchaser in control of the order book should consider disclosing order book updates to all CMIs.

When placing an order for the Bonds, Private Banks should disclose, at the same time, if such order is placed other than on a "principal" basis (whereby it is deploying its own balance sheet for onward selling to investors). Private Banks who do not provide such disclosure are hereby deemed to be placing their order on such a "principal" basis. Private Banks who disclose that they are placing their order other than on a "principal" basis (i.e., they are acting as an agent) should note that such order may be considered to be an omnibus order pursuant to the Code. Private Banks should be aware that if any of their group companies is a CMI of this Offering, placing an order on a "principal" basis may require the Initial Purchaser to apply the "proprietary orders" of the Code to such order and will require the Initial Purchaser to apply the "rebates" requirements of the Code (if applicable) to such order.

In relation to omnibus orders, when submitting such orders, CMIs (including Private Banks) that are subject to the SFC Code should disclose underlying investor information in respect of each order constituting the relevant omnibus order (failure to provide such information may result in that order being rejected). Underlying investor information in relation to omnibus orders should consist of:

- The name of each underlying investor;
- A unique identification number for each investor;
- Whether an underlying investor has any "Associations" (as used in the SFC Code);
- Whether any underlying investor order is a "Proprietary Order" (as used in the SFC Code); and

- Whether any underlying investor order is a duplicate order.

Underlying investor information in relation to omnibus orders should be sent to: omnibus_equity@morganstanley.com.

To the extent information being disclosed by CMIs and investors is personal and/or confidential in nature, CMIs (including Private Banks) agree and warrant: (A) to take appropriate steps to safeguard the transmission of such information to the OCs; and (B) that they have obtained the necessary consents from the underlying investors to disclose such information to the OCs. By submitting an order and providing such information to the OCs, each CMI (including Private Banks) further warrants that it and the underlying investors have understood and consented to the collection, disclosure, use and transfer of such information by the OCs and/or any other third parties as may be required by the Code, including to the Issuer, relevant regulators and/or any other third parties as may be required by the Code, for the purpose of complying with the Code, during the bookbuilding process for the Offering. CMIs that receive such underlying investor information are reminded that such information should be used only for submitting orders in the Offering. The Initial Purchaser may be asked to demonstrate compliance with its obligations under the Code, and may request other CMIs (including Private Banks) to provide evidence showing compliance with the obligations above (in particular, that the necessary consents have been obtained). In such event, other CMIs (including Private Banks) are required to provide the relevant Initial Purchaser with such evidence within the timeline requested.

Notice to prospective investors in the European Economic Area

The Initial Purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this offering circular to any retail investor in the EEA. For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

Notice to prospective investors in the United Kingdom

The Initial Purchaser has represented and agreed that: (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (as amended, the "FSMA")) received by it in connection with the issue or the sale of the Bonds in circumstances in which section 21(1) of the FSMA does not apply to us; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Bonds in, from or otherwise involving the UK.

The Initial Purchaser has represented and agreed that it has not offered, sold, distributed or otherwise made available and will not offer, sell, distribute or otherwise make available any Bonds which are the subject of the offering contemplated by this offering circular to any retail investor in the UK. For the purposes of this provision, the expression "retail investor" means a person who is not a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

Notice to prospective investors in Hong Kong

The securities may not be offered or sold in Hong Kong by means of any document other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "C(WUMP)O") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and no advertisement, invitation or document relating to the securities may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to securities which are or are intended to be

disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the SFO and any rules made thereunder.

Notice to prospective investors in Singapore

Each dealer has acknowledged that this offering circular has not been and will not be registered as a prospectus with the Monetary Authority of Singapore (the "MAS"). Accordingly, each dealer has represented and agreed that it has not offered or sold any Bonds or caused the Bonds to be made the subject of an invitation for subscription or purchase and will not offer or sell any Bonds or cause the Bonds to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the offering circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

This offering circular has not been and will not be registered as a prospectus with the MAS. Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Bonds may not be circulated or distributed, nor may the Bonds be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018 of Singapore.

Investors should note that there may be restrictions on the secondary sale of the Bonds under Section 276 of the SFA.

Any reference to the SFA is a reference to the Securities and Futures Act 2001 of Singapore and a reference to any term as defined in the SFA or any provision in the SFA is a reference to that term or provision as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

Notice to prospective investors in the PRC

This offering circular is not intended to constitute a public offer of the Bonds, whether by way of sale or subscription, in the PRC. The Bonds are not being offered and may not be offered or sold, directly or indirectly, in the PRC to or for the benefit of legal or natural persons of the PRC other than to QDIIs in the PRC. Pursuant to the Measures for the Administration of Overseas Securities Investment by Qualified Domestic Institutional Investors, with the exception of QDIIs in the PRC, the Bonds may, subject to the laws and regulations of the relevant jurisdictions, only be offered or sold to non-PRC natural or legal persons in any country other than the PRC.

SUMMARY OF CERTAIN MATERIAL DIFFERENCES BETWEEN TAIWAN IFRS AND IFRS

Our audited financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 are prepared and presented in accordance with Taiwan IFRS, and our unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026 are prepared and presented in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China, and do not include all of the information required by Taiwan IFRS for a complete set of the annual consolidated financial statements. Taiwan IFRS differs in certain material respects from IFRS. Certain material differences between Taiwan IFRS applicable to us and IFRS are summarized below. The summary should not be taken as inclusive of all Taiwan IFRS/IFRS differences. Additionally, no attempt has been made to quantify all differences or identify all disclosure, presentation or classification differences that would affect the manner in which events and transactions are presented in the financial statements or notes thereto. Further, no attempt has been made to identify future differences between Taiwan IFRS and IFRS as a result of prescribed changes in accounting standards. Regulatory bodies that promulgate Taiwan IFRS and IFRS have significant projects ongoing that could affect future comparisons such as this one. If we were to prepare a complete reconciliation between Taiwan IFRS and IFRS, additional accounting and disclosure differences might have come to our attention.

Subject	Taiwan IFRS	IFRS
Tax on undistributed earnings	Under Taiwan IFRS, companies in the ROC are subject to 10% surtax on profits earned and retained since December 31, 1997. If the retained profits are distributed to the shareholders in the fiscal year following the year of earnings, the surtax could be avoided. If the earnings are not fully distributed to the shareholders, surtax is recorded as income tax expenses in the fiscal year when shareholders' decision on distribution is made. In addition, starting from 2018, the rate of the corporate surtax applicable to the unappropriated earnings is reduced from 10% to 5%.	Under IFRS, current and deferred tax assets and liabilities are measured at the tax rate applicable to the undistributed profits. Consequently, tax on undistributed earnings should be accrued during the period the earnings arise and adjusted to the extent of the distributions approved by the shareholders in the following year.

The information set forth above does not in any way attempt to quantify the effects of the aforementioned differences between Taiwan IFRS and IFRS or the impact such differences would have on net income or shareholders' equity under IFRS.

LEGAL MATTERS

Certain legal matters with respect to the Bonds will be passed upon for us by K&L Gates as to ROC law, and for the Initial Purchaser by Sullivan & Cromwell (Hong Kong) LLP as to U.S. federal and New York law.

INDEPENDENT AUDITORS

The consolidated financial statements of MediaTek Inc. and its subsidiaries as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 included in this offering circular have been audited by Ernst & Young, independent auditors, as stated in their reports appearing herein.

The consolidated financial statements of MediaTek Inc. and its subsidiaries as of and for the six months ended June 30, 2026 and 2025 included in this offering circular have not been audited but were reviewed by Ernst & Young, independent auditors in accordance with Statement of Standards on Auditing No. 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China.

GENERAL INFORMATION

We are incorporated as a company limited by shares in the ROC on May 28, 1997. Our registered office is located at No.1, Dusing 1st Road, Hsinchu Science Park, Hsinchu, 300096, the ROC. As of the date of this offering circular, our authorized share capital registered with the MOEA was NT$20,000,000,000, and our paid-in share capital was NT$16,049,526,130, divided into 1,604,952,613 Common Shares with a par value of NT$10.00 per share.

Our business scope as provided under Article 2 of our Articles of Incorporation is: (1) electronic parts and components manufacture, (2) international trade, (3) software design services, (4) product designing, (5) restrained telecom radio frequency equipment and materials import, and (6) intellectual property. Our Articles of Incorporation do not contain any provision that would have an effect of delaying, deferring or preventing a change in control of the Company.

Our Legal Entity Identifier is 254900UEGBK1I4DM4E14.

The Bonds have been accepted for clearance and settlement by Euroclear and Clearstream. Relevant trading information is set forth below.

	ISIN	Common Code
Rule 144A	XS3492638237	349263823
Regulation S	XS3492632891	349263289

The Company has obtained all necessary consents, approvals and authorizations in connection with the issue of the Bonds, including the approvals of the CBC and the FSC, which have been duly obtained and are, and will be on the Closing Date, in full force and effect.

The issue of the Bonds was authorized by the resolutions of the Company's board of directors passed on July 31, 2026.

Except as disclosed, there has been no significant change in the Company's financial or trading position since June 30, 2026 or any material adverse change in the Company's financial position or prospects since June 30, 2026.

Except as disclosed in "Business — Legal Proceedings," neither the Company nor any of its subsidiaries is involved in any litigation or arbitration proceedings which may have, or have had during the period recently preceding the date of this offering circular, a material adverse effect on the Company's financial position, nor, so far as the Company or any of its subsidiaries is aware, are any such proceedings pending or threatened except as may be otherwise disclosed or referred to herein.

Except for 7,794,085 Shares held by Hsiang Fa Co., a subsidiary of the Company, as of the date of this offering circular, no company in which the Company has a direct or indirect holding of more than 50% of capital or issued shares holds any Shares.

As of the date of this offering circular, save for the 5,712,872 shares of restricted stock awards issued under the Restricted Stock Award Issuance Plans, of which 2,314,975 shares are outstanding, there are no outstanding acquisition rights and/or obligations over our authorized but unissued capital, and there is no undertaking to increase the capital.

In 2025 and up to the date of this offering circular, there was no public takeover or exchange offer by third parties in respect of the Company's Shares and there was no public exchange offer made by the Company in respect of other companies' shares.

Copies (and certified English translations where the documents are not in English) of the following documents may be inspected, free of charge, at the specified offices of the Issuer, so long as the Bonds remain outstanding:

- the Company's Articles of Incorporation;
- the Indenture relating to the Bonds;
- the purchase agreement relating to the Bonds;
- this offering circular; and
- a copy of the Company's audited consolidated financial statements as of and for the years ended December 31, 2023 and 2024 and as of and for the years ended December 31, 2024 and 2025 and unaudited consolidated financial statements as of and for the six months ended June 30, 2025 and 2026.

Trades for the Bonds will be cleared through Clearstream and Euroclear in accordance with their respective rules and operating procedures.

Approval in-principle has been received for the listing of the Bonds on the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this offering circular. Approval in-principle for the listing of the Bonds is not to be taken as an indication of the merits of the Offering, the Company, the Group, its subsidiaries or any of their associated companies or the Bonds. Prior to the Offering, there has been no market anywhere for the Bonds, or any market outside the ROC for the Common Shares.

For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Company will appoint and maintain a paying agent in Singapore where the Bonds may be presented or surrendered for payment or redemption in the event that any of the Global Bonds is exchanged for individual definitive Bonds. In addition, in the event that any of the Global Bonds is exchanged for individual definitive Bonds, announcement of such exchange will be made by the Company or on its behalf through the SGX-ST. Such announcement will include all material information with respect to the delivery of the individual definitive Bonds, including details of the paying agent in Singapore.

For so long as the Bonds are listed on the SGX-ST and the rules of the SGX-ST so require, the Bonds will be traded on the SGX-ST in a minimum board lot size of US$200,000.

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

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
WITH
REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE SIX MONTHS ENDED
JUNE 30, 2026 AND 2025

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.

安永聯合會計師事務所

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English Translation of a Report Originally Issued in Chinese

Review Report of Independent Accountants

To the Board of Directors and Shareholders
of MediaTek Inc.

Introduction

We have reviewed the accompanying consolidated balance sheets of MediaTek Inc. and its subsidiaries as of June 30, 2026 and 2025, the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2026 and 2025, changes in equity and cash flows for the six-month periods ended June 30, 2026 and 2025, and notes to the consolidated financial statements, including the summary of significant accounting policies (together "the consolidated financial statements"). Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the No. 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on these consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Standards on Auditing No. 2410, "Review of Financial Information Performed by the Independent Auditor of the Entity" of the Republic of China. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of MediaTek Inc. and its subsidiaries as of June 30, 2026 and 2025, their consolidated financial performance for the three-month and six-month periods ended June 30, 2026 and 2025, and cash flows for the six-month periods ended June 30, 2026 and 2025, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard No. 34, "Interim Financial Reporting" as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Hu, Shen-Chieh

Hsu, Hsin-Min

Ernst & Young, Taiwan
July 31, 2026

Notice to Readers

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

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of June 30, 2026, December 31, 2025, and June 30, 2025

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	June 30, 2026	%	December 31, 2025	%	June 30, 2025	%
Current assets							
Cash and cash equivalents	6(1)	$ 189,000,660	24	$ 235,290,082	32	$ 185,348,556	28
Financial assets at fair value through profit or loss - current	6(2)	571,553	-	1,837,821	-	1,190,958	-
Financial assets at fair value through other comprehensive income - current	6(3)	4,085,194	1	6,378,814	1	5,657,972	1
Financial assets measured at amortized cost - current	6(4)	4,746,062	1	4,202,385	1	4,537,826	1
Trade receivables, net	6(5), 6(6)	76,898,987	10	62,056,117	8	69,669,376	10
Trade receivables from related parties, net	6(5), 6(6), 7	82,207	-	62,703	-	63,152	-
Finance lease receivables, net	6(6), 6(12)	2,438	-	2,130	-	363,946	-
Other receivables	6(7), 7	7,775,824	1	6,476,022	1	6,482,003	1
Current tax assets	4, 6(30)	1,926,523	-	1,782,046	-	1,166,103	-
Inventories	6(8)	98,420,627	12	67,234,559	9	55,482,287	8
Prepayments	6(9), 9	10,889,015	1	10,823,016	1	17,662,615	3
Other current assets	9	2,606,487	-	1,310,496	-	1,507,223	-
Total current assets		397,005,577	50	397,456,191	53	349,132,017	52
Non-current assets							
Financial assets at fair value through profit or loss - noncurrent	6(2)	4,846,027	1	3,577,731	-	4,775,088	1
Financial assets at fair value through other comprehensive income - noncurrent	6(3)	78,797,368	10	64,383,526	9	63,141,664	10
Financial assets measured at amortized cost - noncurrent	6(4), 8	76,334,846	10	81,012,036	11	62,677,014	9
Investments accounted for using the equity method	6(10), 7	21,086,181	3	19,938,312	3	18,075,748	3
Property, plant and equipment	6(11), 7, 8	66,685,378	8	60,427,356	8	57,617,021	9
Right-of-use assets	6(12)	9,620,100	1	8,652,450	1	8,979,708	1
Investment property, net	6(13), 8	2,663,289	-	2,589,782	-	2,333,587	-
Intangible assets	6(14), 6(15), 7	97,509,081	12	80,261,705	11	81,341,859	12
Deferred tax assets	4, 6(30)	19,906,867	3	19,556,960	3	14,712,901	2
Refundable deposits	9	11,909,024	2	5,341,870	1	5,854,635	1
Long-term finance lease receivables, net	6(6), 6(12)	6,155	-	6,979	-	8,798	-
Net defined benefit assets - noncurrent	6(19)	52,656	-	52,935	-	40,457	-
Other non-current assets - others	9	1,025,823	-	526,972	-	523,904	-
Total non-current assets		390,442,795	50	346,328,614	47	320,082,384	48
Total assets		$ 787,448,372	100	$ 743,784,805	100	$ 669,214,401	100

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of June 30, 2026, December 31, 2025, and June 30, 2025

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	June 30, 2026	%	December 31, 2025	%	June 30, 2025	%
Current liabilities							
Short-term borrowings	6(16)	$ 17,100,000	2	$ 940,000	-	$ 5,940,000	1
Financial liabilities at fair value through profit or loss - current	6(2)	38,891	-	3,313	-	403	-
Contract liabilities - current	6(23), 7	8,406,381	1	7,298,470	1	3,877,864	1
Trade payables		51,328,029	7	46,169,969	6	36,991,541	5
Trade payables to related parties	7	-	-	2,539,929	-	2,078,817	-
Other payables	6(17)	102,215,962	13	107,468,066	15	99,845,061	15
Other payables to related parties	7	160,100	-	347,123	-	43,102	-
Current tax liabilities	4, 6(30)	25,843,646	3	29,630,928	4	17,831,464	3
Lease liabilities - current	6(12)	1,409,870	-	1,024,052	-	992,369	-
Current portion of long-term liabilities		14,442,024	2	3,540,763	-	3,370,919	1
Other current liabilities	6(18), 7	99,373,872	13	104,387,195	14	87,243,519	13
Total current liabilities		320,318,775	41	303,349,808	40	258,215,059	39
Non-current liabilities							
Long-term borrowings	8	120,000	-	60,000	-	-	-
Long-term payables		8,694,571	1	6,735,495	1	2,285,817	-
Net defined benefit liabilities - noncurrent	6(19)	360,654	-	462,915	-	472,869	-
Deposits received	7	263,540	-	277,575	-	176,790	-
Deferred tax liabilities	4, 6(30)	11,422,429	1	11,205,646	2	11,626,281	2
Lease liabilities - noncurrent	6(12)	8,375,145	1	8,165,194	1	8,331,214	1
Other non-current liabilities - others	6(20)	5,251,558	1	4,333,151	1	3,578,699	1
Total non-current liabilities		34,487,897	4	31,239,976	5	26,471,670	4
Total liabilities		354,806,672	45	334,589,784	45	284,686,729	43
Equity attributable to owners of the parent							
Share capital	6(21)						
Common stock		16,038,954	2	16,039,122	2	16,016,580	2
Capital surplus	6(21), 6(22)	35,193,395	4	34,599,724	5	32,297,807	5
Retained earnings	6(21)						
Legal reserve		104,878,314	13	100,019,777	13	94,259,643	14
Undistributed earnings		224,884,413	29	219,519,259	30	223,207,409	33
Other equity	6(22)	43,251,130	6	30,479,076	4	10,665,830	2
Treasury shares	6(21)	(55,970)	-	(55,970)	-	(55,970)	-
Equity attributable to owners of the parent		424,190,236	54	400,600,988	54	376,391,299	56
Non-controlling interests	6(21)	8,451,464	1	8,594,033	1	8,136,373	1
Total equity		432,641,700	55	409,195,021	55	384,527,672	57
Total liabilities and equity		$ 787,448,372	100	$ 743,784,805	100	$ 669,214,401	100

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the three months and six months ended June 30, 2026 and 2025

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

Description	Notes	Three Months Ended June 30				Six Months Ended June 30			
		2026	%	2025	%	2026	%	2025	%
Net sales	6(23), 7	$ 152,182,611	100	$ 150,368,571	100	$ 301,333,121	100	$ 303,680,808	100
Operating costs	6(8), 6(24), 7	(81,874,995)	(54)	(76,490,921)	(51)	(161,970,152)	(54)	(155,993,666)	(51)
Gross profit		70,307,616	46	73,877,650	49	139,362,969	46	147,687,142	49
Operating expenses	6(6), 6(12), 6(24), 7								
Selling expenses		(4,682,213)	(3)	(4,931,517)	(3)	(9,696,959)	(3)	(9,920,539)	(3)
Administrative expenses		(3,394,539)	(2)	(2,631,546)	(2)	(6,198,869)	(2)	(5,616,046)	(2)
Research and development expenses		(39,360,783)	(26)	(36,923,224)	(25)	(77,705,854)	(26)	(72,705,294)	(24)
Expected credit impairment losses		(2,300)	-	(12,390)	-	(2,661)	-	(12,999)	-
Total operating expenses		(47,439,835)	(31)	(44,498,677)	(30)	(93,604,343)	(31)	(88,254,878)	(29)
Operating income		22,867,781	15	29,378,973	19	45,758,626	15	59,432,264	20
Non-operating income and expenses									
Interest income	6(25)	2,562,193	2	2,684,480	2	4,958,682	2	5,524,232	2
Other income	6(26), 7	2,084,715	1	1,105,974	1	2,766,596	1	2,754,841	1
Other gains and losses	6(27), 7	184,928	-	19,389	-	1,054,617	-	148,372	-
Finance costs	6(28)	(101,225)	-	(125,573)	-	(187,012)	-	(321,139)	-
Share of profit of associates and joint ventures accounted for using the equity method	6(10)	363,297	-	164,331	-	629,570	-	242,196	-
Total non-operating income and expenses		5,093,908	3	3,848,601	3	9,222,453	3	8,348,502	3
Net income before income tax		27,961,689	18	33,227,574	22	54,981,079	18	67,780,766	23
Income tax expense	4, 6(30)	(3,356,636)	(2)	(5,163,145)	(3)	(5,999,642)	(2)	(10,187,408)	(4)
Net income		24,605,053	16	28,064,429	19	48,981,437	16	57,593,358	19
Other comprehensive income	4, 6(10), 6(19), 6(21), 6(29), 6(30)								
Items that will not be reclassified subsequently to profit or loss									
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		9,113,252	6	(3,114,485)	(2)	7,354,228	2	(6,578,620)	(2)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		182,507	-	21,178	-	224,362	-	22,600	-
Income tax relating to those items not to be reclassified to profit or loss		(439,739)	-	74,248	-	(364,261)	-	22,201	-
Items that may be reclassified subsequently to profit or loss									
Exchange differences resulting from translating the financial statements of foreign operations		(95,831)	-	(37,328,064)	(25)	5,393,473	2	(32,736,051)	(11)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		2,270	-	1,520	-	3,213	-	5,721	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		30,228	-	158,962	-	291,136	-	226,795	-
Other comprehensive income, net of tax		8,792,687	6	(40,186,641)	(27)	12,902,151	4	(39,037,354)	(13)
Total comprehensive income		$ 33,397,740	22	$ (12,122,212)	(8)	$ 61,883,588	20	$ 18,556,004	6
Net income for the periods attributable to :									
Owners of the parent	6(31)	$ 24,334,734		$ 27,848,264		$ 48,488,714		$ 57,173,177	
Non-controlling interests	6(21)	270,319		216,165		492,723		420,181	
		$ 24,605,053		$ 28,064,429		$ 48,981,437		$ 57,593,358	
Total comprehensive income for the periods attributable to :									
Owners of the parent		$ 33,113,084		$ (12,239,911)		$ 61,348,301		$ 18,216,895	
Non-controlling interests		284,656		117,699		535,287		339,109	
		$ 33,397,740		$ (12,122,212)		$ 61,883,588		$ 18,556,004	
Earnings Per Share :	6(31)								
Basic Earnings Per Share (in New Taiwan Dollars)		$ 15.28		$ 17.50		$ 30.44		$ 35.92	
Diluted Earnings Per Share (in New Taiwan Dollars)		$ 15.25		$ 17.47		$ 30.38		$ 35.87	

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the six months ended June 30, 2026 and 2025

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent									Non-controlling interests	Total equity
	Share capital		Retained earnings		Other equity						
	Common stock	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others	Treasury shares	Equity attributable to owners of the parent		
Balance as of January 1, 2025	$ 16,016,880	$ 31,636,053	$ 89,308,524	$ 210,598,743	$ 23,114,158	$ 27,927,939	$ (1,919,250)	$ (55,970)	$ 396,627,077	$ 8,428,270	$ 405,055,347
Distribution of earnings:											
Legal reserve	-	-	4,951,119	(4,951,119)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(40,041,559)	-	-	-	-	(40,041,559)	-	(40,041,559)
Total	-	-	4,951,119	(44,992,678)	-	-	-	-	(40,041,559)	-	(40,041,559)
Profit for the six months ended June 30, 2025	-	-	-	57,173,177	-	-	-	-	57,173,177	420,181	57,593,358
Other comprehensive income for the six months ended June 30, 2025	-	-	-	-	(32,429,654)	(6,526,628)	-	-	(38,956,282)	(81,072)	(39,037,354)
Total comprehensive income	-	-	-	57,173,177	(32,429,654)	(6,526,628)	-	-	18,216,895	339,109	18,556,004
Adjustments due to dividends that subsidiaries received from parent company	-	226,028	-	-	-	-	-	-	226,028	-	226,028
Changes in associates and joint ventures accounted for using the equity method	-	319,342	-	-	-	-	-	-	319,342	876	320,218
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	178	-	-	-	-	-	-	178	-	178
Issuance of restricted stock for employees	(300)	106,417	-	905	-	-	926,527	-	1,033,549	-	1,033,549
Changes in other capital surplus	-	9,789	-	-	-	-	-	-	9,789	-	9,789
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	427,262	-	(427,262)	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	(631,882)	(631,882)
Balance as of June 30, 2025	$ 16,016,580	$ 32,297,807	$ 94,259,643	$ 223,207,409	$ (9,315,496)	$ 20,974,049	$ (992,723)	$ (55,970)	$ 376,391,299	$ 8,136,373	$ 384,527,672
Balance as of January 1, 2026	$ 16,039,122	$ 34,599,724	$ 100,019,777	$ 219,519,259	$ 13,618,153	$ 18,794,064	$ (1,933,141)	$ (55,970)	$ 400,600,988	$ 8,594,033	$ 409,195,021
Distribution of earnings:											
Legal reserve	-	-	4,858,537	(4,858,537)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(39,295,655)	-	-	-	-	(39,295,655)	-	(39,295,655)
Total	-	-	4,858,537	(44,154,192)	-	-	-	-	(39,295,655)	-	(39,295,655)
Profit for the six months ended June 30, 2026	-	-	-	48,488,714	-	-	-	-	48,488,714	492,723	48,981,437
Other comprehensive income for the six months ended June 30, 2026	-	-	-	-	5,643,053	7,216,534	-	-	12,859,587	42,564	12,902,151
Total comprehensive income	-	-	-	48,488,714	5,643,053	7,216,534	-	-	61,348,301	535,287	61,883,588
Adjustments due to dividends that subsidiaries received from parent company	-	226,028	-	-	-	-	-	-	226,028	-	226,028
Changes in associates and joint ventures accounted for using the equity method	-	(123,227)	-	-	-	-	-	-	(123,227)	768	(122,459)
Issuance of restricted stock for employees	(168)	482,140	-	4,749	-	-	938,350	-	1,425,071	-	1,425,071
Changes in other capital surplus	-	8,730	-	-	-	-	-	-	8,730	-	8,730
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	1,025,883	-	(1,025,883)	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	(678,624)	(678,624)
Balance as of June 30, 2026	$ 16,038,954	$ 35,193,395	$ 104,878,314	$ 224,884,413	$ 19,261,206	$ 24,984,715	$ (994,791)	$ (55,970)	$ 424,190,236	$ 8,451,464	$ 432,641,700

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the six months ended June 30, 2026 and 2025

(Amounts in thousands of New Taiwan Dollars)

Description	Six Months Ended June 30	
	2026	2025
Cash flows from operating activities :		
Profit from continuing operations before tax	$ 54,981,079	$ 67,780,766
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation expenses	6,917,561	6,669,210
Amortization expenses	5,923,676	4,710,634
Expected credit impairment losses	2,661	12,999
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(316,969)	169,660
Interest expenses	187,012	321,139
Interest income	(4,958,682)	(5,524,232)
Dividend income	(2,386,924)	(2,477,928)
Share-based payment expenses	1,417,846	1,034,084
Share of profit of associates and joint ventures accounted for using the equity method	(629,570)	(242,196)
(Gains) losses on disposal of property, plant and equipment	(7,255)	973
Property, plant and equipment transferred to expenses	-	566
Gains on disposal of intangible assets	(868)	-
Losses on disposal of investments accounted for using the equity method	-	89
Other adjustments	(1,240)	8,047
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	(51,087)	3,135,707
Trade receivables	(14,467,536)	(27,749,071)
Trade receivables from related parties	(19,504)	(22,486)
Other receivables	(1,688,090)	(680,022)
Inventories	(31,300,378)	3,614,240
Prepayments	(6,752)	3,212,523
Other current assets	(1,295,991)	1,712,961
Other non-current assets-others	(498,851)	2,413,635
Contract liabilities	1,107,911	(440,564)
Trade payables	5,158,060	(1,743,792)
Trade payables to related parties	(2,539,929)	37,644
Other payables	226,359	(5,103,385)
Other payables to related parties	71,210	(1,405)
Other current liabilities	(5,868,511)	4,691,631
Net defined benefit liabilities	(101,982)	(61,146)
Other non-current liabilities-others	(241,423)	(1,071,775)
Cash inflows generated from operations	9,611,833	54,408,506
Interest received	5,067,546	6,716,619
Dividends received	2,553,156	2,556,397
Interest paid	(209,769)	(351,037)
Income tax paid	(10,428,786)	(4,238,823)
Net cash flows from operating activities	6,593,980	59,091,662
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(6,550,714)	(2,547,321)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,483,388	792,094
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	682,190	135,523
Acquisition of financial assets measured at amortized cost	(100,000)	(2,864,358)
Proceeds from repayments of financial assets measured at amortized cost	6,186,141	5,179,359
Acquisition of investments accounted for using the equity method	(348,226)	(820,917)
Net cash flows from acquisition of subsidiaries	-	(232,431)
Proceeds from capital reduction of investments accounted for using the equity method	206,878	-
Acquisition of property, plant and equipment	(10,815,091)	(7,642,318)
Proceeds from disposal of property, plant and equipment	58,579	18,127
Increase in refundable deposits	(6,567,154)	(2,742,414)
Acquisition of intangible assets	(9,926,482)	(7,384,509)
Proceeds from disposal of intangible assets	8,852	-
Decrease in finance lease receivables	733	363,946
Net cash flows used in investing activities	(23,680,906)	(17,745,219)
Cash flows from financing activities :		
Increase in short-term borrowings	16,160,000	5,000,000
Proceeds from long-term borrowings	60,000	-
Decrease in deposits received	(14,035)	(19,610)
Payments of lease liabilities	(1,082,139)	(840,840)
Cash dividends paid	(46,287,361)	(46,222,924)
Changes in non-controlling interests	-	(3,527)
Other financing activities	13,479	10,872
Net cash flows used in financing activities	(31,150,056)	(42,076,029)
Effect of exchange rate changes on cash and cash equivalents	1,947,560	(17,617,750)
Net decrease in cash and cash equivalents	(46,289,422)	(18,347,336)
Cash and cash equivalents at the beginning of the period	235,290,082	203,695,892
Cash and cash equivalents at the end of the period	$ 189,000,660	$ 185,348,556

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

1. Organization and Operation

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

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

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on July 31, 2026.

3. Newly Issued or Revised Standards and Interpretations

(1) Changes in accounting policies resulting from the initial application of certain standards and amendments

MTK and its subsidiaries ("the Company") adopted International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs Accounting Standards"), which were endorsed by Financial Supervisory Commission ("FSC") and became effective for annual periods beginning on or after January 1, 2026. 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 date when the Company's financial statements were authorized for issue are listed below:

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Date issued by IASB
IFRS 18	"Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
IFRS 19	"Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
IAS 21 and IAS 29	Translation to a Hyperinflationary Presentation Currency	January 1, 2027
IAS 28	Amendments to the Fair Value Option for Investments in Associates and Joint Ventures	January 1, 2027 (Note)

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

The abovementioned standards, amendments and interpretations have been issued by the IASB, endorsed by the FSC, and are effective for annual reporting periods beginning on or after January 1, 2027. As the Company is currently determining the potential impact of the new or amended standards and interpretations of IFRS 18 "Presentation and Disclosure in Financial Statements". All other 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 date when the Company's financial statements were authorized for issue are listed below:

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Date issued by IASB
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	To be determined by IASB
IFRS 20	"Regulatory Assets and Regulatory Liabilities"	January 1, 2029

The abovementioned standards and interpretations issued by IASB have not yet been endorsed 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 new or amended standards and interpretations of IFRS 10 and IAS 28 "Consolidated Financial Statements" and "Investments in Associates and Joint Ventures" (Amendment). All other standards and interpretations have no material impact on the Company.

4. Summary of Material Accounting Policies

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and IAS 34 "Interim Financial Reporting" as endorsed and became effective by FSC.

Basis of Preparation

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

Basis of Consolidation

Preparation principle of consolidated financial statements

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

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

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

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

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

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

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

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

If loses control of a subsidiary, it:
(1) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(2) derecognizes the carrying amount of any non-controlling interest;
(3) recognizes the fair value of the consideration received;
(4) recognizes the fair value of any investment retained;
(5) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfers directly to retained earnings if required by other IFRSs; and
(6) recognizes any resulting differences in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Business nature	Percentage of Ownership			Note
			June 30, 2026	December 31, 2025	June 30, 2025	
MTK	MediaTek Singapore Pte. Ltd.	Research, manufacturing and sales	100%	100%	100%	-
MTK	MediaTek Investment Singapore Pte. Ltd.	General investing	100%	100%	100%	-
MTK	HFI Innovation Inc.	Intellectual property right management	100%	100%	100%	-
MTK	MStar Co., Ltd.	General investing	100%	100%	100%	-
MTK	Spidcom Technologies	Intellectual property right management	-	100%	100%	1
MTK	Richtek Technology Corp.	Research, manufacturing and sales	100%	100%	100%	-
MTK	MediaTek Capital Co.	General investing	100%	100%	100%	-
MTK	Airoha Technology Corp.	Research, manufacturing and sales	66%	66%	66%	-
MTK	Hsu-Yuan Investment Corp.	General investing	100%	100%	100%	-
MTK	MediaTek Research UK Limited	Research	100%	100%	100%	-
MTK	MediaTek Bangalore Private Limited	Research	100%	100%	100%	-
MTK	MediaTek Japan Inc.	Technical services	100%	100%	100%	-
MTK	MediaTek Korea Inc.	Research	100%	100%	100%	-
MTK	IC PLUS Corp.	Research, manufacturing and sales	14%	14%	14%	-
Hsiang Fa Co.	Chingis Technology Corporation	Research	100%	100%	100%	-
Hsiang Fa Co.	MediaTek Research Corp.	Research	100%	100%	100%	-
Hsiang Fa Co.	InnoFusion Technology Corp.	Technical services	-	100%	100%	2
MediaTek Singapore Pte. Ltd.	MaiSys Design Technology SG Pte. Ltd.	Research	100%	100%	100%	-
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	General investing	100%	100%	100%	-
Richtek Technology Corp.	Richtek Europe Holding B.V.	General investing	-	-	100%	3
Richtek Technology Corp.	Richtek Holding International Limited	General investing	-	-	100%	4
Richtek Technology Corp.	Richnex Microelectronics Corp.	Research, manufacturing and sales	82%	82%	82%	-
Richtek Technology Corp.	Richtek Korea LLC.	Research and technical services	100%	100%	100%	-
Richtek Technology Corp.	Richtek USA, Inc.	Research and technical services	100%	100%	100%	-
Richtek Technology Corp.	Richpower Microelectronics Co., Ltd.	Technical services	100%	100%	100%	-
Richtek Technology Corp.	Li-We Technology Corp.	Technical services	100%	100%	100%	-
Richtek Technology Corp.	Richtek Japan Inc.	Research and technical services	100%	100%	100%	-
Richtek Technology Corp.	Richtek Europe B.V.	Sales support and marketing services	100%	100%	100%	-
Airoha (Cayman) Inc.	Airotek (Shenzhen) Inc.	Research and technical services	100%	100%	100%	-
Airoha (Cayman) Inc.	Airotek (Chengdu) Inc.	Research	100%	100%	100%	-

(To be continued)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership			Note
			June 30, 2026	December 31, 2025	June 30, 2025	
Airoha (Cayman) Inc.	Airoha Technology India Private Limited	Research	0%	0%	0%	-
Airoha Technology Corp.	Airoha (Cayman) Inc.	General investing	100%	100%	100%	-
Airoha Technology Corp.	Shadow Investment Limited	General investing	100%	100%	100%	-
Airoha Technology Corp.	Airoha Technology (HK) Limited	General investing	100%	100%	100%	-
Airoha Technology Corp.	Airoha Technology USA Inc.	Research	100%	100%	100%	-
Airoha Technology Corp.	Airoha Technology India Private Limited	Research	100%	100%	100%	-
Airoha Technology Corp.	IC PLUS Corp.	Research, manufacturing and sales	29%	29%	29%	-
Gaintech Co. Limited	MediaTek China Limited	General investing	100%	100%	100%	-
Gaintech Co. Limited	MTK Wireless Limited	Research	100%	100%	100%	-
Gaintech Co. Limited	Smarthead Limited	General investing	100%	100%	100%	-
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Technical services	100%	100%	100%	-
Gaintech Co. Limited	Nephos Cayman Co. Limited	General investing	100%	100%	100%	-
Gaintech Co. Limited	Zelus (Shenzhen) Technology Ltd.	Research and sales	88%	88%	88%	-
Gaintech Co. Limited	Sigmastar Technology Inc.	General investing	100%	100%	100%	-
Gaintech Co. Limited	MediaTek Global Holdings Limited	General investing	100%	100%	100%	-
MediaTek China Limited	MediaTek (Hefei) Inc.	Research	100%	100%	100%	-
MediaTek China Limited	MediaTek (Beijing) Inc.	Research	100%	100%	100%	-
MediaTek China Limited	MediaTek (Shenzhen) Inc.	Research	100%	100%	100%	-
MediaTek China Limited	MediaTek (Chengdu) Inc.	Research	100%	100%	100%	-
MediaTek China Limited	MediaTek (Wuhan) Inc.	Research	100%	100%	100%	-
MediaTek China Limited	Xuxin Investment (Shanghai) Inc.	General investing	100%	100%	100%	-
MediaTek China Limited	MediaTek (Shanghai) Inc.	Research	100%	100%	100%	-
MTK Wireless Limited	MediaTek Sweden AB	Research	100%	100%	100%	-
MTK Wireless Limited	MediaTek USA Inc.	Research	100%	100%	100%	-
MTK Wireless Limited	MediaTek Wireless Finland Oy	Research	100%	100%	100%	-
MTK Wireless Limited	MStar France SAS	Research	100%	100%	100%	-
MTK Wireless Limited	MediaTek North America Inc.	Sales support and marketing services	100%	100%	100%	-
MTK Wireless Limited	MediaTek Poland sp. z o.o.	Technical services	100%	100%	100%	-
MTK Wireless Limited	MediaTek Technology USA Inc.	Research	100%	100%	100%	-
Gold Rich International (Samoa) Limited	Gold Rich International (HK) Limited	General investing	100%	100%	100%	-
Airoha Technology (HK) Limited	Airoha Technology (Suzhou) Limited	Research, manufacturing and sales	100%	100%	100%	-
Airoha Technology (Suzhou) Limited	EcoNet Limited	General investing	100%	100%	100%	-
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	General investing	100%	100%	100%	-
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Research	100%	100%	100%	-
MStar Co., Ltd.	MStar Software R&D (Shenzhen), Ltd.	Technical services	100%	100%	100%	-
Nephos Cayman Co. Limited	MediaTek Communication (Hefei) Co., Ltd.	Research, manufacturing and sales	100%	100%	100%	5

(To be continued)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership			Note
			June 30, 2026	December 31, 2025	June 30, 2025	
Xuxin Investment (Shanghai) Inc.	Xuxi (Shanghai) Management Consulting Co., Ltd.	General investing	100%	100%	100%	-
Xuxi (Shanghai) Management Consulting Co., Ltd.	Hefei Xuhui Management Consulting Co., Ltd.	General investing	100%	100%	100%	-
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	General investing	100%	100%	100%	-
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	General investing	100%	100%	100%	-
MediaTek Global Holdings Limited	Digimoc Holdings Limited	General investing	100%	100%	100%	-
MediaTek Capital Co.	IStar Technology Ltd.	General investing	-	-	100%	6
MediaTek Capital Co.	Hsiang Fa Co.	General investing	100%	100%	100%	-
MediaTek Capital Co.	MediaTek Bangalore Private Limited	Research	0%	0%	0%	-
MediaTek Capital Co.	Airoha Technology Corp.	Research, manufacturing and sales	4%	4%	4%	-
Digimoc Holdings Limited	Cloud Ranger Limited	General investing	100%	100%	100%	-
Digimoc Holdings Limited	Gold Rich International (Samoa) Limited	General investing	100%	100%	100%	-
Digimoc Holdings Limited	MediaTek India Technology Pvt. Ltd.	Research	0%	0%	0%	-
MTKC Global Holdings Co. Limited	LePower (HK) Limited	General investing	100%	100%	100%	-
MediaTek Investment HK Limited	Hsu Fa (Samoa) Investment Ltd.	General investing	100%	100%	100%	-
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Technical services	100%	100%	100%	-
MediaTek Wireless FZ-LLC	MLINK INVESTMENTS-FZCO	General investing	100%	100%	100%	7
MLINK INVESTMENTS-FZCO	MediaTek Egypt	Research	100%	100%	100%	7、8
Hsu Zhan (HK) Investment Limited	IStar Technology Ltd.	General investing	100%	100%	-	6

1. For the purpose of reorganization, Spidcom Technologies has been liquidated in May 2026.
2. For the purpose of reorganization, InnoFusion Technology Corp. was dissolved due to merger into Hsiang Fa Co. on June 30, 2026.
3. For the purpose of reorganization, Richtek Europe Holding B.V. has been liquidated in December 2025.
4. For the purpose of reorganization, Richtek Holding International Limited has been liquidated in September 2025.
5. Nephos (Hefei) Co., Ltd. was renamed MediaTek Communication (Hefei) Co., Ltd. in September 2025.
6. For the purpose of reorganization, the 100% ownership of IStar Technology Ltd., which was previously owned by MediaTek Capital Co., was transferred to Hsu Zhan (HK) Investment Limited in August 2025.
7. MediaTek Wireless FZ-LLC completed the acquisition of 100% of the shares of MLINK INVESTMENTS-FZCO in March 2025. The subsidiary originally belonging to MLINK INVESTMENTS-FZCO was included in the consolidated entity.
8. Mlink Egypt was renamed MediaTek Egypt in April 2026.

The financial statements of all the consolidated subsidiaries listed above had been reviewed by auditors.

Except for the accounting policies listed below, the same accounting policies have been followed in the consolidated financial statements for the six-month periods ended June 30, 2026 and 2025 as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2025. For the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2025.

(1) Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(2) Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The average annual effective income tax rate is estimated by current income tax expense only. Deferred income tax is recognized and measured according to IAS 12 "Income Tax" and follows the same accounting policies of the Company's annual consolidated financial statements. When income tax rate changes occur in interim period, the effect on deferred income tax is recognized in profit or loss, other comprehensive income or equity at once.

5. Significant Accounting Judgments, Estimates and Assumptions

The same significant accounting judgments, estimates and assumptions have been followed in the consolidated financial statements for the six-month periods ended June 30, 2026 and 2025 as were applied in the preparation of the Company's consolidated financial statements for the year ended December 31, 2025. Please refer to the consolidated financial statements for the year ended December 31, 2025.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	June 30, 2026	December 31, 2025	June 30, 2025
Cash on hand and petty cash	$ 800	$ 861	$ 893
Checking and savings accounts	17,511,572	12,541,011	12,327,374
Time deposits	171,188,288	221,928,210	172,789,289
Repurchase agreements	300,000	820,000	231,000
Total	$ 189,000,660	$ 235,290,082	$ 185,348,556

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Financial assets mandatorily measured at fair value through profit or loss			
Linked deposits	$ 571,020	$ 554,361	$ -
Forward exchange contracts	533	5,131	6,021
Bonds	-	1,278,329	79,000
Funds	-	-	1,059,279
Stocks	-	-	46,658
Total	$ 571,553	$ 1,837,821	$ 1,190,958
Held for trading financial liabilities			
Forward exchange contracts	$ 38,891	$ 3,313	$ 403
Noncurrent			
Financial assets mandatorily measured at fair value through profit or loss			
Trust funds	$ 3,406,339	$ 2,649,272	$ 2,030,140
Linked deposits	766,032	-	676,079
Bonds	447,260	539,772	1,707,910
Funds	-	277,837	254,095
Capital	226,396	110,850	106,864
Total	$ 4,846,027	$ 3,577,731	$ 4,775,088

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

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Debt instrument investments measured at fair value through other comprehensive income			
Bonds	$ 316,757	$ 619,532	$ 283,319
Equity instrument investments measured at fair value through other comprehensive income			
Listed company stocks	3,768,437	5,759,282	5,374,653
Total	$ 4,085,194	$ 6,378,814	$ 5,657,972
Noncurrent			
Debt instrument investments measured at fair value through other comprehensive income			
Bonds	$ 200,000	$ 200,000	$ 483,224
Equity instrument investments measured at fair value through other comprehensive income			
Listed company stocks	35,623,066	30,838,551	30,771,931
Capital	25,895,293	22,845,313	21,789,975
Unlisted company stocks	14,810,916	8,146,948	7,547,541
Funds	2,268,093	2,352,714	2,548,993
Subtotal	78,597,368	64,183,526	62,658,440
Total	$ 78,797,368	$ 64,383,526	$ 63,141,664

No loss allowance 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 three months and six months ended June 30, 2026 and 2025 were as follows:

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Related to investments held at the end of the reporting period	$ 1,887,098	$ 941,635	$ 2,379,567	$ 2,477,928

The Company derecognized certain equity instrument investments measured at fair value through other comprehensive income in consideration of the Company's investment strategy. Details on derecognition of the investments for the three months and six months ended June 30, 2026 and 2025 were as follows:

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
The fair value of the investments at the date of derecognition	$ 1,264,525	$ 69,293	$ 3,172,620	$ 850,402
The cumulative gain (loss) on disposal reclassified from other equity to retained earnings	$ 1,135,176	$ (15,383)	$ 1,152,767	$ 423,871

(4) Financial assets measured at amortized cost

	June 30, 2026	December 31, 2025	June 30, 2025
Current			
Bonds	$ 4,746,062	$ 4,202,385	$ 4,537,600
Restricted bank deposit	-	-	226
Total	$ 4,746,062	$ 4,202,385	$ 4,537,826
Noncurrent			
Bonds	$ 75,890,534	$ 80,546,956	$ 62,290,324
Time deposits	444,312	465,080	386,690
Total	$ 76,334,846	$ 81,012,036	$ 62,677,014

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

	June 30, 2026	December 31, 2025	June 30, 2025
Trade receivables	$ 76,902,863	$ 62,057,330	$ 69,684,172
Less: loss allowance	(3,876)	(1,213)	(14,796)
Subtotal	76,898,987	62,056,117	69,669,376
Trade receivables from related parties	82,207	62,703	63,152
Less: loss allowance	-	-	-
Subtotal	82,207	62,703	63,152
Total	$ 76,981,194	$ 62,118,820	$ 69,732,528

Trade receivables are generally on 30 to 90 day terms. Please refer to Note 6. (6) for more details on the loss allowance of trade receivables for the three months and six months ended June 30, 2026 and 2025. Please refer to Note 12 for more details on credit risk.

Among trade receivables, the amount attributed to financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT$6,085,654 thousand, NT$2,023,244 thousand and NT$2,260,449 thousand as of June 30, 2026, December 31, 2025, and June 30, 2025, respectively.

(6) Expected credit losses

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Impairment losses				
Trade receivables	$ 2,300	$ 12,390	$ 2,661	$ 12,999

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

The Company measures the loss allowance of its receivables (including notes receivable, trade receivables and trade receivables from related parties) and finance lease receivables, net at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of June 30, 2026, December 31, 2025, and June 30, 2025 were as follows:

The Company estimates an expected credit loss rate to calculate expected credit losses. The rate is determined based on the Company's historical credit loss experience and customer's current financial condition, adjusted for forward-looking factors. Details were as follows:

2026.06.30

		Past due				
	Neither past due	Within 30 days	31-60 days	61-90 days	After 90 days	Total
Gross carrying amount	$ 75,397,729	$ 1,323,476	$ 160,325	$ 12,532	$ 8,801	$ 76,902,863
Loss ratio	0 %	0 %	0 %	0% - 10%	20% - 100%	
Lifetime expected credit losses	-	-	-	(249)	(3,627)	(3,876)
Carrying amount of trade receivables	$ 75,397,729	$ 1,323,476	$ 160,325	$ 12,283	$ 5,174	$ 76,898,987

2025.12.31

		Past due				
	Neither past due	Within 30 days	31-60 days	61-90 days	After 90 days	Total
Gross carrying amount	$ 61,511,089	$ 467,389	$ 67,804	$ 9,990	$ 1,058	$ 62,057,330
Loss ratio	0 %	0 %	0 %	0% - 10%	20% - 100%	
Lifetime expected credit losses	-	-	-	(940)	(273)	(1,213)
Carrying amount of trade receivables	$ 61,511,089	$ 467,389	$ 67,804	$ 9,050	$ 785	$ 62,056,117

2025.06.30

		Past due				
	Neither past due	Within 30 days	31-60 days	61-90 days	After 90 days	Total
Gross carrying amount	$ 68,571,349	$ 1,052,215	$ 26,500	$ 2,073	$ 32,035	$ 69,684,172
Loss ratio	0 %	0 %	0 %	0% - 10%	20% - 100%	
Lifetime expected credit losses	-	-	-	(205)	(14,591)	(14,796)
Carrying amount of trade receivables	$ 68,571,349	$ 1,052,215	$ 26,500	$ 1,868	$ 17,444	$ 69,669,376

Neither the Company's note and trade receivables from related parties nor finance lease receivables were past due.

The movements in the provision for impairment of receivables and finance lease receivables for the six months ended June 30, 2026 and 2025 were as follows:

	Notes receivable	Trade receivables (including related parties)	Finance lease receivables
As of January 1, 2026	$ -	$ 1,213	$ -
Allowance for the current period	-	2,661	-
Effect of changes in exchange rate	-	2	-
As of June 30, 2026	$ -	$ 3,876	$ -
As of January 1, 2025	$ -	$ 1,808	$ -
Allowance for the current period	-	12,999	-
Effect of changes in exchange rate	-	(11)	-
As of June 30, 2025	$ -	$ 14,796	$ -

(7) Other receivables

	June 30, 2026	December 31, 2025	June 30, 2025
Factoring receivables	$ 2,894,868	$ 1,565,411	$ 2,891,347
Others	4,880,956	4,910,611	3,590,656
Total	$ 7,775,824	$ 6,476,022	$ 6,482,003

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 such trade receivables after deducting the estimated value of commercial disputes.

As of June 30, 2026, December 31, 2025, and June 30, 2025, trade receivables derecognized were summarized (by transferee) as follows:

A. As of June 30, 2026:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US$'000)	Cash withdrawn (US$'000)	Unutilized (US$'000)	Credit line (US$'000)
BNP Paribas		$ 8,400	$ -	$ 8,400	$ 105,000
Taishin International Bank	-	81,006	-	81,006	243,600
SMBC	-	-	-	-	18,000
CTBC	-	-	-	-	300
SinoPac	-	1,001	-	1,001	45,000
CHB	-	290	-	290	1,380
Total		$ 90,697	$ -	$ 90,697	$ 413,280

B. As of December 31, 2025:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US$'000)	Cash withdrawn (US$'000)	Unutilized (US$'000)	Credit line (US$'000)
BNP Paribas	-	$ 11,135	$ -	$ 11,135	$ 105,000
Taishin International Bank	-	38,457	-	38,457	173,000
SMBC	-	-	-	-	18,000
CTBC	-	-	-	-	300
SinoPac	-	-	-	-	10,000
CHB	-	192	-	192	1,380
Total		$ 49,784	$ -	$ 49,784	$ 307,680

C. As of June 30, 2025:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US$'000)	Cash withdrawn (US$'000)	Unutilized (US$'000)	Credit line (US$'000)
BNP Paribas	-	$ 2,212	$ -	$ 2,212	$ 105,000
Taishin International Bank	-	94,372	-	94,372	185,000
SMBC	-	-	-	-	18,000
CTBC	-	-	-	-	300
SinoPac	-	2,365	-	2,365	10,000
CHB	-	226	-	226	1,380
Total		$ 99,175	$ -	$ 99,175	$ 319,680

(8) Inventories

	June 30, 2026	December 31, 2025	June 30, 2025
Raw materials	$ 4,351,893	$ 3,279,147	$ 3,425,437
Work in progress	67,516,983	46,869,225	37,444,376
Finished goods	26,551,751	17,086,187	14,612,474
Net amount	$ 98,420,627	$ 67,234,559	$ 55,482,287

The Company's operating costs are all related to inventories, including inventory losses recognized due to write-downs to net realizable value or obsoleteness and reversals of write-downs recognized when the circumstances that previously caused inventories to be written down below cost or obsolete no longer exist, were as follows:

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
(Inventory losses) reversals of write-downs of inventories	$ (1,280,574)	$ 678,250	$ (206,820)	$ 1,360,316

(9) Prepayments

	June 30, 2026	December 31, 2025	June 30, 2025
Prepaid expenses	$ 586,283	$ 893,600	$ 816,456
Input tax	557,784	131,800	554,451
Others	9,744,948	9,797,616	16,291,708
Total	$ 10,889,015	$ 10,823,016	$ 17,662,615

(10) Investments accounted for using the equity method

Details of investments in associates were as follows:

	June 30, 2026		December 31, 2025		June 30, 2025	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:						
Vanchip (Tianjin) Technology Co., Ltd.	$ 4,782,613	24	$ 4,614,564	24	$ 4,103,869	24
Sigmastar Technology Ltd.	10,588,009	29	10,082,115	29	9,230,550	29
Zilltek Technology Corp.	2,053,960	18	1,842,135	18	1,845,894	18
Others	3,661,599	-	3,399,498	-	2,895,435	-
Total	$ 21,086,181		$ 19,938,312		$ 18,075,748	

Since the Company does not have the ability to direct the relevant activities of Sigmastar Technology Ltd. and Vanchip (Tianjin) Technology Co., Ltd., and therefore does not have control, the Company only has significant influence over them.

Even though the Company's ownership in some of the aforementioned investments was higher than 50%, those investments were structured as Limited Partnership, and the Company merely served as a Limited Partner without the ability to direct the relevant activities. Accordingly, the Company did not have control over them and they were not included in the consolidated entities.

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

Investments in associates

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Profit from continuing operations	$ 360,703	$ 398,786	$ 620,157	$ 459,804
Other comprehensive income (post-tax)	8,151	54,350	121,337	46,741
Total comprehensive income	$ 368,854	$ 453,136	$ 741,494	$ 506,545

(11) Property, plant and equipment

	June 30, 2026	December 31, 2025	June 30, 2025
Owner-occupied property, plant and equipment	$ 66,685,378	$ 60,427,356	$ 57,617,021

	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, 2026	$ 9,998,332	$ 34,025,980	$ 4,311,692	$ 19,024,863	$ 24,946,844	$ 26,317,496	$ 5,465,021	$124,090,228
Additions-acquired separately	-	881,813	290,658	3,149,715	2,147,955	2,768,400	2,680,099	11,918,640
Disposals	-	(12,790)	(31,274)	(200,788)	(108,700)	(48,451)	-	(402,003)
Transfers	-	1,423,238	-	11,991	5,981	9	(1,467,282)	(26,063)
Exchange differences	-	656,355	193	106,551	182,273	113,235	22	1,058,629
As of June 30, 2026	9,998,332	36,974,596	4,571,269	22,092,332	27,174,353	29,150,689	6,677,860	136,639,431
Depreciation and impairment:								
As of January 1, 2026	-	9,722,868	1,839,363	15,408,484	17,415,205	19,276,952	-	63,662,872
Depreciation	-	499,566	317,989	952,027	1,277,781	3,153,498	-	6,200,861
Disposals	-	(11,345)	(31,274)	(200,431)	(103,025)	(44,432)	-	(390,507)
Transfers	-	(3,073)	-	-	-	9	-	(3,064)
Exchange differences	-	152,554	179	82,309	156,095	92,754	-	483,891
As of June 30, 2026	-	10,360,570	2,126,257	16,242,389	18,746,056	22,478,781	-	69,954,053
Net carrying amount as of:								
June 30, 2026	$ 9,998,332	$ 26,614,026	$ 2,445,012	$ 5,849,943	$ 8,428,297	$ 6,671,908	$ 6,677,860	$ 66,685,378
December 31, 2025	$ 9,998,332	$ 24,303,112	$ 2,472,329	$ 3,616,379	$ 7,531,639	$ 7,040,544	$ 5,465,021	$ 60,427,356

	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, 2025	$ 9,998,332	$ 33,795,042	$ 2,859,779	$ 17,349,984	$ 23,295,483	$ 20,153,434	$ 2,319,873	$ 109,771,927
Additions-acquired separately	-	123,954	901,245	1,785,761	438,957	3,328,921	1,520,064	8,098,902
Disposals	-	(207)	(1,851)	(229,793)	(204,480)	(148,134)	-	(584,465)
Transfers	-	(131)	(2,794)	-	41,325	27,322	(66,419)	(697)
Exchange differences	-	(1,302,839)	(773)	(386,311)	(449,506)	(727,878)	-	(2,867,307)
As of June 30, 2025	9,998,332	32,615,819	3,755,606	18,519,641	23,121,779	22,633,665	3,773,518	114,418,360
Depreciation and impairment:								
As of January 1, 2025	-	8,885,420	1,380,420	13,578,880	15,088,662	13,921,502	-	52,854,884
Depreciation	-	428,913	181,427	1,339,774	1,295,249	2,873,604	-	6,118,967
Disposals	-	(207)	(1,851)	(228,779)	(186,771)	(147,804)	-	(565,412)
Transfers	-	-	(15,043)	-	15,043	-	-	-
Exchange differences	-	(280,046)	(713)	(303,091)	(370,165)	(653,085)	-	(1,607,100)
As of June 30, 2025	-	9,034,080	1,544,240	14,386,784	15,842,018	15,994,217	-	56,801,339
Net carrying amount as of:								
June 30, 2025	$ 9,998,332	$ 23,581,739	$ 2,211,366	$ 4,132,857	$ 7,279,761	$ 6,639,448	$ 3,773,518	$ 57,617,021

Please refer to Note 8 for property, plant and equipment pledged as collateral.

The amount of the Company's capitalized depreciation expense and interest expense arising from right-of-use assets and lease liabilities and the interest rate of the capitalization were as follows:

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Capitalized depreciation expense	$ 18,154	$ 19,633	$ 37,292	$ 58,495
Capitalized interest expense	$ 12,306	$ 12,989	$ 25,044	$ 32,817
Interest rate of the capitalization	0.925% - 2.235%	0.925% - 2.235%	0.925% - 2.235%	0.925% - 2.235%

(12) Leases

A. The Company as a lessee

The Company leases various property (land and buildings), machinery equipment, transportation equipment and office equipment. The lease terms range between 1 and 70 years.

a. Right-of-use asset

	June 30, 2026	December 31, 2025	June 30, 2025
Land	$ 6,449,718	$ 6,354,103	$ 6,404,673
Buildings and facilities	1,872,594	1,896,677	2,069,652
Machinery equipment	1,280,431	385,795	493,071
Transportation equipment	13,072	15,488	11,209
Office equipment	4,285	387	1,103
Total	$ 9,620,100	$ 8,652,450	$ 8,979,708

During the six months ended June 30, 2026 and 2025, the additions to right-of-use assets of the Company amounted to NT$1,684,184 thousand and NT$802,286 thousand, respectively.

b. Lease liability

	June 30, 2026	December 31, 2025	June 30, 2025
Lease liability - current	$ 1,409,870	$ 1,024,052	$ 992,369
Lease liability - noncurrent	8,375,145	8,165,194	8,331,214
Total	$ 9,785,015	$ 9,189,246	$ 9,323,583

Please refer to Note 6. (28) finance cost for the interest on lease liability recognized during the three months and the six months ended June 30, 2026 and 2025 and Note 12. (2) C. for the maturity analysis of lease liabilities.

The Company capitalized certain depreciation and interest expenses during the three months and the six months ended June 30, 2026 and 2025. Please refer to Note 6. (11) for related information.

c. Depreciation charge for right-of-use assets

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Land	$ 12,231	$ 10,332	$ 23,096	$ 20,697
Buildings and facilities	221,761	219,991	447,700	428,630
Machinery equipment	124,070	32,787	198,790	58,373
Transportation equipment	1,791	1,088	3,581	2,226
Office equipment	360	372	706	748
Total	$ 360,213	$ 264,570	$ 673,873	$ 510,674

d. Income and costs relating to leasing activities

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
The expense relating to short-term leases	$ 20,917	$ 12,444	$ 52,176	$ 34,517
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	$ 1,018	$ 157	$ 1,472	$ 767
Income from subleasing right-of-use assets	$ 352	$ 393	$ 702	$ 847

e. Cash outflow relating to leasing activities

During the six months ended June 30, 2026 and 2025, the Company's total cash outflows for leases amounted to NT$1,205,690 thousand and NT$929,624 thousand, respectively.

f. Other information relating to leasing activities

Subsidiary Hsu-Yuan Investment Corp. ("Hsu-Yuan") signed a contract with Railway Bureau, MOTC ("RB") to obtain land usufruct. The contract contains variable payment terms that are linked to certain percentages of sales generated from the leased land. As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities. The variable rental payment will be 1% (when sales range between NT$350,000-430,000 thousand), 2% (when sales range between NT$430,000-520,000 thousand), and 3% (when sales exceed NT$520,000 thousand) of Hsu-Yuan's sales, respectively.

B. The Company as a lessor

Please refer to Note 6. (13) for details on the Company's owned investment properties and investment properties held by the Company as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to the ownership of underlying assets.

The Company has entered into machinery and equipment lease agreements with terms from 2020 to 2030. These leases are classified as finance leases as they transfer substantially all the risks and rewards incidental to the ownership of the underlying assets.

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Lease income from operating leases				
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$ 80,133	$ 72,874	$ 155,954	$ 150,497
Lease income from finance leases				
Finance income on the net investment in the lease	12	2,177	18	5,049
Total	$ 80,145	$ 75,051	$ 155,972	$ 155,546

The undiscounted lease payments to be received for the remaining years as of June 30, 2026, December 31, 2025, and June 30, 2025 were as follows:

	June 30, 2026	December 31, 2025	June 30, 2025
Not later than one year	$ 2,523	$ 2,486	$ 366,148
Later than one year and not later than two years	2,524	2,486	3,650
Later than two years and not later than three years	2,524	2,486	2,305
Later than three years and not later than four years	1,472	2,486	2,305
Later than four years and not later than five years	-	-	1,344
Total non-discounted lease payments	9,043	9,944	375,752
Less: unearned finance income of finance lease	(450)	(835)	(3,008)
Less: allowance for doubtful debts	-	-	-
Net investment in the finance lease (receivable of a finance lease)	$ 8,593	$ 9,109	$ 372,744
Current	$ 2,438	$ 2,130	$ 363,946
Noncurrent	$ 6,155	$ 6,979	$ 8,798

(13) Investment property

The Company's investment properties include both owned investment properties and investment properties held by the Company as right-of-use assets. The Company has entered into commercial property leases for its owned investment properties with terms between 40 and 50 years. These leases include a clause to enable revision of the rental charge on an annual basis according to prevailing market conditions. The investment properties held by the Company as right-of-use assets have non-cancellable periods ranging from 3 to 50 years. Some of these contracts provide the Company with options to extend the leases.

	Land	Buildings and facilities	Right-of-use assets	Total
Cost:				
As of January 1, 2026	$ 93,670	$ 3,032,743	$ 126,880	$ 3,253,293
Transfers	-	26,063	(773)	25,290
Exchange differences	-	115,607	2,115	117,722
As of June 30, 2026	93,670	3,174,413	128,222	3,396,305
Depreciation and impairment:				
As of January 1, 2026	-	639,468	24,043	663,511
Depreciation	-	40,853	1,974	42,827
Transfers	-	2,727	(155)	2,572
Exchange differences	-	23,884	222	24,106
As of June 30, 2026	-	706,932	26,084	733,016
Net carrying amount as of:				
June 30, 2026	$ 93,670	$ 2,467,481	$ 102,138	$ 2,663,289
December 31, 2025	$ 93,670	$ 2,393,275	$ 102,837	$ 2,589,782

	Land	Buildings and facilities	Right-of-use assets	Total
Cost:				
As of January 1, 2025	$ 93,670	$ 2,884,991	$ 129,443	$ 3,108,104
Lease modifications	-	-	(2,772)	(2,772)
Transfers	-	131	-	131
Exchange differences	-	(214,081)	(4,131)	(218,212)
As of June 30, 2025	93,670	2,671,041	122,540	2,887,251
Depreciation and impairment:				
As of January 1, 2025	-	533,723	20,096	553,819
Depreciation	-	37,616	1,953	39,569
Exchange differences	-	(39,374)	(350)	(39,724)
As of June 30, 2025	-	531,965	21,699	553,664
Net carrying amount as of:				
June 30, 2025	$ 93,670	$ 2,139,076	$ 100,841	$ 2,333,587

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Rental income from investment properties	$ 65,749	$ 57,958	$ 126,883	$ 119,630
Less: direct operating expenses from investment properties generating rental income	(26,208)	(19,351)	(42,827)	(39,569)
Total	$ 39,541	$ 38,607	$ 84,056	$ 80,061

Please refer to Note 8 for investment property pledged as collateral.

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

Based on market approach:

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value	$ 3,505,785	$ 3,390,534	$ 3,411,681

Based on discounted cash flow approach :

	June 30, 2026	December 31, 2025	June 30, 2025
Fair value	$ 443,910	$ 443,910	$ 464,529
Discount rate	3.470%	3.470%	3.645%
Capitalization rate	2.700%	2.700%	2.875%
Growth rate	2.0%	2.0%	0.5%

The fair value of its investment properties did not change significantly for the six months ended June 30, 2026 and 2025.

For those right-of-use assets leased as operating leases and classified as investment properties, please refer to Note 6. (12) for relevant disclosure which required by IFRS 16.

(14) Intangible assets

	Trademarks	Software	Customer relationship	Patents, IPs and others	Goodwill	Total
Cost:						
As of January 1, 2026	$ 352,055	$ 1,737,324	$ 2,635,440	$ 37,324,705	$ 68,105,064	$ 110,154,588
Additions - acquired separately	-	176,829	-	22,959,564	-	23,136,393
Disposals or retirements	-	(126,129)	-	(6,591,259)	-	(6,717,388)
Exchange differences	-	3,277	-	146,867	12,655	162,799
As of June 30, 2026	352,055	1,791,301	2,635,440	53,839,877	68,117,719	126,736,392
Amortization and impairment:						
As of January 1, 2026	352,055	1,340,372	2,358,009	25,842,447	-	29,892,883
Amortization	-	205,085	17,172	5,701,419	-	5,923,676
Disposals or retirements	-	(126,129)	-	(6,583,275)	-	(6,709,404)
Exchange differences	-	2,848	-	117,308	-	120,156
As of June 30, 2026	352,055	1,422,176	2,375,181	25,077,899	-	29,227,311
Net carrying amount as of:						
June 30, 2026	$ -	$ 369,125	$ 260,259	$ 28,761,978	$ 68,117,719	$ 97,509,081
December 31, 2025	$ -	$ 396,952	$ 277,431	$ 11,482,258	$ 68,105,064	$ 80,261,705

	Trademarks	Software	Customer relationship	Patents, IPs and others	Goodwill	Total
Cost:						
As of January 1, 2025	$ 352,055	$ 1,587,848	$ 2,635,440	$ 32,457,589	$ 67,908,730	$ 104,941,662
Additions - acquired separately	-	152,606	-	3,800,519	-	3,953,125
Additions - acquired through business combinations	-	-	-	-	231,979	231,979
Disposals or retirements	-	(170,099)	-	(1,512,977)	-	(1,683,076)
Exchange differences	-	(22,977)	-	(1,007,551)	(94,235)	(1,124,763)
As of June 30, 2025	352,055	1,547,378	2,635,440	33,737,580	68,046,474	106,318,927
Amortization and impairment:						
As of January 1, 2025	351,992	1,054,258	2,155,054	19,123,316	-	22,684,620
Amortization	63	256,939	129,580	4,324,052	-	4,710,634
Disposals or retirements	-	(170,099)	-	(1,512,977)	-	(1,683,076)
Exchange differences	-	(18,738)	-	(716,372)	-	(735,110)
As of June 30, 2025	352,055	1,122,360	2,284,634	21,218,019	-	24,977,068
Net carrying amount as of:						
June 30, 2025	$ -	$ 425,018	$ 350,806	$ 12,519,561	$ 68,046,474	$ 81,341,859

(15) Impairment testing of goodwill

The Company has no intangible assets with indefinite lives. Goodwill acquired through business combination has been allocated to a cash-generating unit which is expected to benefit from synergies of the business combination and has been assessed for impairment of the recoverable amount of goodwill at the end of each year. The recoverable amount has been determined based on the value-in-use calculated using cash flow projections discounted by the pre-tax discount rate from a five-year period financial budget. The projected cash flows reflect the change in demand for products and services. The Company had assessed for impairment of the recoverable amount of goodwill on December 31, 2025. The Company did not identify any impairment of goodwill for the year ended December 31, 2025.

(16) Short-term borrowings

	June 30, 2026	December 31, 2025	June 30, 2025
Unsecured bank loans	$ 17,100,000	$ 940,000	$ 5,940,000
Interest rates	1.70% - 2.10%	1.97%	1.74% - 1.97%

(17) Other payables

	June 30, 2026	December 31, 2025	June 30, 2025
Accrued salaries and bonuses	$ 36,768,997	$ 37,964,358	$ 37,633,788
Accrued royalties	1,349,108	1,375,404	1,975,394
Dividends payable	39,974,298	46,513,389	40,669,931
Others	24,123,559	21,614,915	19,565,948
Total	$ 102,215,962	$ 107,468,066	$ 99,845,061

(18) Other current liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Refund liabilities (Note)	$ 98,525,266	$ 102,242,687	$ 83,777,015
Others	848,606	2,144,508	3,466,504
Total	$ 99,373,872	$ 104,387,195	$ 87,243,519

Note: Refund liabilities represented the Company's estimated sales allowances and returns based on past experience and other known factors.

(19) Post-employment benefits plans

Defined contribution plan

MTK and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. MTK and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts. Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts. Pension benefits for employees of foreign subsidiaries are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the three months ended June 30, 2026 and 2025 were NT$799,535 thousand and NT$755,799 thousand, respectively. Pension expenses under the defined contribution plan for the six months ended June 30, 2026 and 2025 were NT$1,617,412 thousand and NT$1,546,997 thousand, respectively.

Defined benefits plan

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

Pension expenses under the defined benefits plan for the three months ended June 30, 2026 and 2025 were NT$2,151 thousand and NT$3,012 thousand, respectively. Pension expenses under the defined benefits plan for the six months ended June 30, 2026 and 2025 were NT$4,301 thousand and NT$6,025 thousand, respectively.

(20) Other non-current liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Decommissioning liabilities	$ 46,782	$ 46,071	$ 42,704
Others	5,204,776	4,287,080	3,535,995
Total	$ 5,251,558	$ 4,333,151	$ 3,578,699

(21) Equity

A. Share capital

	June 30, 2026	December 31, 2025	June 30, 2025
Authorized shares (in thousands)	2,000,000	2,000,000	2,000,000
Authorized capital	$ 20,000,000	$ 20,000,000	$ 20,000,000
Issued and paid shares (in thousands)	1,603,895	1,603,912	1,601,658
Issued capital	$ 16,038,954	$ 16,039,122	$ 16,016,580

The par value of issued common shares is NT$10 per share. Each share has one voting right and a right to receive dividends.

The authorized shares include 20,000 thousand shares allocated for the exercise of employee stock options.

On May 27, 2024, the general shareholders' meeting approved to issue restricted stocks for employees. As of June 30, 2026, 4,639,479 shares of restricted stocks for employees were issued. Relevant regulators' approvals have been obtained and related registration processes have been completed.

MTK has redeemed and cancelled 16,775 shares and 29,988 shares of issued restricted stocks for employees during the six months ended June 30, 2026 and 2025, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

B. Capital surplus

	June 30, 2026	December 31, 2025	June 30, 2025
Additional paid-in capital	$ 6,676,456	$ 6,676,456	$ 5,303,435
Treasury share transactions	4,285,027	4,058,999	3,864,145
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	6,942,948	6,942,948	6,942,948
Changes in ownership interests in subsidiaries	8,280,276	8,280,276	8,280,276
Donated assets	1,261	1,261	1,261
Share of changes in net assets of associates	4,676,621	4,799,848	4,785,463
Restricted stocks for employees	3,788,163	3,306,023	2,619,168
Others	542,643	533,913	501,111
Total	$ 35,193,395	$ 34,599,724	$ 32,297,807

According to the Company Act, the capital surplus shall not be used except for offsetting 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, may be capitalized; which are limited to a certain percentage of paid-in capital. The distribution could be made in cash to its shareholders in proportion to the number of shares held by each of them.

C. Treasury shares

As of June 30, 2026, December 31, 2025, and June 30, 2025, 7,794,085 shares of MTK's common shares amounted to NT$55,970 thousand were held by the subsidiary, Hsiang Fa Co. These shares were acquired by Hsiang Fa Co. for financing purposes before the amendment of the Company Act on November 12, 2001.

As of June 30, 2026, December 31, 2025, and June 30, 2025, MTK did not hold any other treasury shares.

D. Retained earnings and dividend policy

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

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

Based on the authorization from the Articles of Incorporation as mentioned above, the 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 distribution to the shareholders' meeting.

Dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.

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

Pursuant to existing regulations, MTK is required to set aside an 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 distributions of earnings for the years of 2025 and 2024 were resolved by the Board of Directors' meeting. The details of the distribution were as follows:

	Second half year of 2025	First half year of 2025
Board of Directors' meeting	February 26, 2026	October 31, 2025
Legal reserve (Note)	$ 4,858,537	$ 5,760,134
Cash dividends-common stock	$ 39,295,655	$ 46,513,389
Dividends per share (NT$)	$ 24.5	$ 29.0

	Second half year of 2024	First half year of 2024
Board of Directors' meeting	February 27, 2025	October 30, 2024
Legal reserve	$ 4,951,119	$ 5,702,090
Cash dividends-common stock	$ 40,041,559	$ 46,448,952
Dividends per share (NT$)	$ 25.0	$ 29.0

Note: Legal reserve for 2025 was approved by the resolution of general shareholders' meeting held on May 29, 2026.

E. Non-controlling interests

	Six months ended June 30	
	2026	2025
Beginning balance	$ 8,594,033	$ 8,428,270
Gains attributable to non-controlling interests	492,723	420,181
Other comprehensive income (losses), attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operations	42,564	(81,072)
Changes in associates and joint ventures accounted for using the equity method	768	876
Others	(678,624)	(631,882)
Ending balance	$ 8,451,464	$ 8,136,373

(22) 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.

Restricted stock plan for employees of MTK

On May 27, 2024, the shareholders' meeting approved to issue gratuitous restricted stocks for employees, at a total of 24,000,000 common shares. MTK shall set up the actual issuance date(s) in one tranche or in installments within one year from the date of receipt of the effective registration of the competent authority.

MTK issued 2,359,347 and 2,280,132 gratuitous restricted stocks on August 23, 2024 and August 22, 2025, respectively. The issuance process was granted effective registration by the securities authority.

The fair value of the restricted stocks issued was NT$1,090.09-NT$1,225 and NT$1,117-NT$1,365 per share, respectively. The estimated compensation expenses amounted to NT$5,298,935 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of June 30, 2026, MTK had recognized NT$4,254,430 thousand as compensation expense and NT$994,791 thousand as unearned employee compensation, which were recorded under salary expense and other equity, respectively.

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

	Restricted stock plan for employees
Expected volatility (%)	36.46% - 38.47%
Risk free interest rate (%)	1.176% - 1.32%
Pricing Approach	Monte Carlo Simulation

Restrictions on the rights and vesting conditions of the first restricted stocks for employees under the 2024 plan are as follows:

A. To issue common shares of MTK with gratuitous issue price.

B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, non-competition clause, confidentiality agreement or policies and achievement of both personal performance criteria and the Company's performance target during the vesting period, are eligible to receive the vested shares. The vesting period of the plan is two years. The maximum portions of the vesting shares of 2025 are 50%, and the cumulative maximum portions of vesting shares for two years from 2025 to 2026 are 100%. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's performance target.
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 under the 2024 plan are as follows:

A. To issue common shares of MTK with gratuitous issue price.
B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, non-competition clause, confidentiality agreement or policies and achievement of both personal performance criteria and the Company's performance target during the vesting period, are eligible to receive the vested shares. The vesting period of the plan is two years. The maximum portions of the vesting shares of 2026 are 50%, and the cumulative maximum portions of vesting shares for two years from 2026 to 2027 are 100%. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's performance target.
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 were shown in the following table:

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Restricted stocks for employees	$ 780,782	$ 516,920	$ 1,417,846	$ 1,034,084

The Company did not modify or cancel any share-based payment plans for the six months ended June 30, 2026 and 2025.

(23) Sales

Analysis of revenue from contracts with customers was as follows:

A. Disaggregation of revenue

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Sale of goods	$ 149,946,925	$ 147,895,286	$ 296,482,175	$ 299,821,945
Services and other operating revenue	2,235,686	2,473,285	4,850,946	3,858,863
Total	$ 152,182,611	$ 150,368,571	$ 301,333,121	$ 303,680,808
Revenue recognition point:				
At a point in time	$ 150,647,752	$ 149,272,816	$ 298,326,434	$ 301,819,435
Satisfies the performance obligation over time	1,534,859	1,095,755	3,006,687	1,861,373
Total	$ 152,182,611	$ 150,368,571	$ 301,333,121	$ 303,680,808

B. Contract balances

Contract liabilities-current

	June 30, 2026	January 1, 2026	June 30, 2025	January 1, 2025
Sale of goods	$ 1,569,004	$ 1,270,236	$ 1,250,391	$ 1,191,549
Services and other operating revenue	6,837,377	6,028,234	2,627,473	3,126,879
Total	$ 8,406,381	$ 7,298,470	$ 3,877,864	$ 4,318,428

The significant changes in the Company's balances of contract liabilities for the three months and six months ended June 30, 2026 and 2025 were as follows:

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Revenue recognized during the period that was included in the beginning balance	$ 175,722	$ 816,478	$ 1,451,334	$ 1,839,284
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	$ 1,085,037	$ 160,226	$ 2,559,196	$ 1,399,201

C. Transaction price allocated to unsatisfied performance obligations

As of June 30, 2026 and 2025, no disclosure of the unsatisfied performance obligations was needed as the contract terms with customers for the sales of goods are all shorter than one year; besides, the summarized amounts of transaction price allocated to unsatisfied performance obligations for rendering services were NT$13,804,471 thousand and NT$2,148,212 thousand, respectively. 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.

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

	Three months ended June 30					
	2026			2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	$ 8,994	$ 792,692	$ 801,686	$ 11,428	$ 747,383	$ 758,811
Others	$ 269,227	$ 27,769,995	$ 28,039,222	$ 303,857	$ 25,825,456	$ 26,129,313
Depreciation	$ 160,251	$ 3,408,665	$ 3,568,916	$ 108,328	$ 3,238,544	$ 3,346,872
Amortization	$ 826	$ 3,270,546	$ 3,271,372	$ 2,527	$ 2,415,526	$ 2,418,053

	Six months ended June 30					
	2026			2025		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	$ 18,221	$ 1,603,492	$ 1,621,713	$ 24,227	$ 1,528,795	$ 1,553,022
Others	$ 536,680	$ 52,711,982	$ 53,248,662	$ 646,602	$ 51,972,553	$ 52,619,155
Depreciation	$ 302,535	$ 6,615,026	$ 6,917,561	$ 206,798	$ 6,462,412	$ 6,669,210
Amortization	$ 3,303	$ 5,920,373	$ 5,923,676	$ 5,151	$ 4,705,483	$ 4,710,634

According to the Articles of Incorporation of MTK, no less than 1% of the current year's profit is distributable as employees' compensation (of the amount so allocated as employees' compensation, no less than 50% shall be allocated to the non-executive employees) and no more than 0.5% as remuneration to directors, provided that MTK's accumulated losses shall have been covered in advance. MTK may distribute the profit as employees' compensation in the form of shares or cash.

MTK accrued employees' compensation and remuneration to directors based on a specific rate of profit for the six months ended June 30, 2026 and 2025. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, MTK will recognize the change as an adjustment to income of next year. The information about the employees' compensation and directors' remuneration is available on the "Market Observation Post System" website.

The amounts of employees' compensation and remuneration to directors were as follows:

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Employees' compensation	$ 308,824	$ 370,852	$ 611,290	$ 755,892
Remuneration to directors	$ 27,000	$ 24,000	$ 54,000	$ 48,000

A resolution was approved in a meeting of the Board of Directors held on February 26, 2026 to distribute NT$1,392,288 thousand and NT$103,000 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 2025.

There was no difference between the actual distribution amounts of employees' compensation and remuneration to directors in 2025 and the amounts charged against earnings in 2024.

(25) Interest income

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Financial assets measured at amortized cost	$ 2,496,528	$ 2,618,536	$ 4,886,799	$ 5,451,559
Financial assets at fair value through other comprehensive income	65,665	65,944	71,883	72,673
Total	$ 2,562,193	$ 2,684,480	$ 4,958,682	$ 5,524,232

(26) Other income

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Rental income	$ 80,133	$ 72,874	$ 155,954	$ 150,497
Dividend income	1,894,455	941,635	2,386,924	2,477,928
Others	110,127	91,465	223,718	126,416
Total	$ 2,084,715	$ 1,105,974	$ 2,766,596	$ 2,754,841

(27) Other gains and losses

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Gains (losses) on disposal of property, plant and equipment	$ 5,616	$ (934)	$ 7,255	$ (973)
Gains on disposal of intangible assets	-	-	868	-
Losses on disposal of investments				
Investments accounted for using the equity method	-	(89)	-	(89)
Foreign exchange gains	106,620	1,160,530	19,637	1,027,098
Net gains (losses) on financial instruments at fair value through profit or loss	98,479	(1,144,215)	635,896	(888,373)
Others	(25,787)	4,097	390,961	10,709
Total	$ 184,928	$ 19,389	$ 1,054,617	$ 148,372

(28) Finance costs

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Interest expenses on borrowings	$ 65,100	$ 95,212	$ 117,109	$ 267,639
Interest expenses on lease liabilities	36,125	30,361	69,903	53,500
Total	$ 101,225	$ 125,573	$ 187,012	$ 321,139

(29) Components of other comprehensive income

For the three months ended June 30, 2026 :

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	$ 9,113,252	$ -	$ 9,113,252	$ (439,739)	$ 8,673,513
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	182,507	-	182,507	-	182,507
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(95,831)	-	(95,831)	-	(95,831)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	2,270	-	2,270	-	2,270
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	30,228	-	30,228	-	30,228
Total	$ 9,232,426	$ -	$ 9,232,426	$ (439,739)	$ 8,792,687

For the three months ended June 30, 2025 :

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	$ (3,114,485)	$ -	$ (3,114,485)	$ 74,248	$ (3,040,237)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	21,178	-	21,178	-	21,178
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(37,328,064)	-	(37,328,064)	-	(37,328,064)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	1,520	-	1,520	-	1,520
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	158,873	89	158,962	-	158,962
Total	$ (40,260,978)	$ 89	$ (40,260,889)	$ 74,248	$ (40,186,641)

For the six months ended June 30, 2026:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	$ 7,354,228	$ -	$ 7,354,228	$ (364,261)	$ 6,989,967
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	224,362	-	224,362	-	224,362
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	5,393,473	-	5,393,473	-	5,393,473
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	3,213	-	3,213	-	3,213
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	291,136	-	291,136	-	291,136
Total	$ 13,266,412	$ -	$ 13,266,412	$ (364,261)	$ 12,902,151

For the six months ended June 30, 2025:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	$ (6,578,620)	$ -	$ (6,578,620)	$ 22,201	$ (6,556,419)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	22,600	-	22,600	-	22,600
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(32,736,051)	-	(32,736,051)	-	(32,736,051)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	5,721	-	5,721	-	5,721
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	226,706	89	226,795	-	226,795
Total	$ (39,059,644)	$ 89	$ (39,059,555)	$ 22,201	$ (39,037,354)

(30) Income tax

The major components of income tax expense were as follows:

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Current income tax:				
Current income tax	$ 1,865,991	$ 1,344,483	$ 4,566,114	$ 6,153,289
Current income tax related to Pillar Two legislation	1,272,869	1,770,847	1,960,836	3,555,963
Deferred tax:				
Deferred tax relating to origination and reversal of temporary differences	717,019	3,187,582	(921,734)	1,865,939
Deferred tax relating to origination and reversal of tax loss and tax credit	1,586	(36,636)	308,425	(38,695)
Deferred tax arising from write-down or reversal of write-down of deferred tax asset	(113,005)	(562,671)	210,892	(928,194)
Others	(387,824)	(540,460)	(124,891)	(420,894)
Total income tax expense recognized in profit or loss	$ 3,356,636	$ 5,163,145	$ 5,999,642	$ 10,187,408

Income tax recognized in other comprehensive income

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Deferred tax:				
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	$ 439,739	$ (74,248)	$ 364,261	$ (22,201)

Income tax charged directly to equity

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Current income tax:				
Realized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	$ 145,990	$ -	$ 145,990	$ -

The assessment of income tax returns

As of June 30, 2026, the assessments of the income tax returns of MTK and its material subsidiaries were as follows:

	The assessment of income tax returns	Note
MTK	Assessed and approved up to 2023	
Subsidiary- Richtek Technology Corp.	Assessed and approved up to 2024	
Subsidiary- Airoha Technology Corp.	Assessed and approved up to 2024	

(31) Earnings per share

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

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

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
A. Basic earnings per share				
Profit attributable to ordinary equity owners of the parent (in thousand NT$)	$ 24,334,734	$ 27,848,264	$ 48,488,714	$ 57,173,177
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,592,690,268	1,591,534,558	1,592,690,268	1,591,534,558
Basic earnings per share (NT$)	$ 15.28	$ 17.50	$ 30.44	$ 35.92
B. Diluted earnings per share				
Profit attributable to ordinary equity owners of the parent (in thousand NT$)	$ 24,334,734	$ 27,848,264	$ 48,488,714	$ 57,173,177
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,592,690,268	1,591,534,558	1,592,690,268	1,591,534,558
Effect of dilution:				
Employees' compensation-stock (share)	144,002	604,713	374,357	883,785
Restricted stocks for employees (share)	3,088,289	1,550,304	2,995,049	1,595,331
Weighted average number of ordinary shares outstanding after dilution (share)	1,595,922,559	1,593,689,575	1,596,059,674	1,594,013,674
Diluted earnings per share (NT$)	$ 15.25	$ 17.47	$ 30.38	$ 35.87

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.

7. Related Party Transactions

Except as otherwise disclosed in other notes, information of the related parties that had transactions with the Company during the financial reporting periods was as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Intelligo Technology Inc. and its subsidiaries	Associate
Gear Radio Limited and its subsidiaries (Note 1)	Associate
Sigmastar Technology Ltd. and its subsidiaries	Associate
AMobile Solutions Corp.	Associate
ASIX Electronics Corporation	Associate
Zilltek Technology Corp.	Associate
AMobile Intelligent Corp. Limited	Associate
Core Evergreen Limited	Associate
Vidaxio LLC	Associate
M.I.F.L.P.	Associate
King Yuan Electronics Co., Ltd. and its subsidiaries (Note 2 & 3)	Substantive related party

Note:

1. The Company obtained an equity interest in Gear Radio Limited through the conversion of convertible bonds and obtained significant influence over the investee on September 1, 2025. Accordingly, it has been accounted for as an associate of the Company since that date.

2. King Yuan Electronics Co., Ltd. completed the disposal of its entire shareholding in King Long Technology (Suzhou) Co., Ltd. in February 2025. Accordingly, King Long Technology (Suzhou) Co., Ltd. was no longer a substantive related party since that month.

3. King Yuan Electronics Co., Ltd. re-elected its chairman on May 29, 2026. Accordingly, King Yuan Electronics Co., Ltd. was no longer a substantive related party since then.

Significant transactions with the related parties

(1) Sales

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Sale of goods				
Associates				
Intelligo Technology Inc. and its subsidiaries	$ 175,643	$ 62,589	$ 324,708	$ 137,371
ASIX Electronics Corporation	61,296	59,548	121,113	128,685
Subtotal	236,939	122,137	445,821	266,056
Services and other operating revenue				
Associates				
Sigmastar Technology Ltd. and its subsidiaries	-	21,106	-	54,470
Intelligo Technology Inc. and its subsidiaries	969	-	83,488	-
Other	-	-	315	-
Subtotal	969	21,106	83,803	54,470
Total	$ 237,908	$ 143,243	$ 529,624	$ 320,526

The sales prices and payment terms to related parties were not significantly different from those of sales to third parties.

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

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Substantive related party				
King Yuan Electronics Co., Ltd. and its subsidiaries	$ 1,314,219	$ 1,873,647	$ 3,537,595	$ 3,768,394

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

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

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Associates				
Intelligo Technology Inc. and its subsidiaries	$ 28,296	$ 39,116	$ 55,314	$ 71,782
Gear Radio Limited and its subsidiaries	9,495	-	28,209	-
AMobile Solutions Corp.	-	271	15,614	271
Zilltek Technology Corp.	-	-	12,704	-
Other	-	-	1	-
Subtotal	37,791	39,387	111,842	72,053
Substantive related party				
Other	953	1,354	2,249	2,579
Total	$ 38,744	$ 40,741	$ 114,091	$ 74,632

(4) Other income

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Associates				
Other	$ 2,290	$ 2,120	$ 2,300	$ 2,130

(5) Other gains and losses

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Associate				
Intelligo Technology Inc. and its subsidiaries	$ -	$ -	$ 365,090	$ -

(6) Rental income

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Associates				
Sigmastar Technology Ltd. and its subsidiaries	$ 231	$ 231	$ 461	$ 461
Gear Radio Limited and its subsidiaries	780	-	1,300	-
Total	$ 1,011	$ 231	$ 1,761	$ 461

The Company leased office to associates. The lease terms and prices were both determined in accordance with mutual agreements. The rental income was collected from associates monthly.

(7) Trade receivables from related parties

	June 30, 2026	December 31, 2025	June 30, 2025
Associates			
Intelligo Technology Inc. and its subsidiaries	$ 61,595	$ 44,173	$ 15,449
ASIX Electronics Corporation	20,612	18,530	18,327
Sigmastar Technology Ltd. and its subsidiaries	-	-	29,376
Total	$ 82,207	$ 62,703	$ 63,152

(8) Other receivables from related parties

	June 30, 2026	December 31, 2025	June 30, 2025
Associates			
ASIX Electronics Corporation	$ 39,668	$ -	$ 37,189
M.I.F.L.P.	-	-	58,308
Total	$ 39,668	$ -	$ 95,497

(9) Contract liabilities - current

	June 30, 2026	December 31, 2025	June 30, 2025
Associates			
Intelligo Technology Inc. and its subsidiaries	$ -	$ 47,674	$ -
AMobile Solutions Corp.	1,638	1,638	1,638
Total	$ 1,638	$ 49,312	$ 1,638

(10) Trade payables to related parties

	June 30, 2026	December 31, 2025	June 30, 2025
Substantive related party			
King Yuan Electronics Co., Ltd. and its subsidiaries	$ -	$ 2,539,928	$ 2,078,817
Associate			
Other	-	1	-
Total	$ -	$ 2,539,929	$ 2,078,817

(11) Other payables to related parties

	June 30, 2026	December 31, 2025	June 30, 2025
Associates			
Intelligo Technology Inc. and its subsidiaries	$ 148,726	$ 62,294	$ 41,860
Vidaxio LLC	-	248,408	-
Other	11,374	34,409	-
Subtotal	160,100	345,111	41,860
Substantive related party			
Other	-	2,012	1,242
Total	$ 160,100	$ 347,123	$ 43,102

(12) Other current liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Associates			
Intelligo Technology Inc. and its subsidiaries	$ -	$ 365,090	$ -

(13) Deposits received

	June 30, 2026	December 31, 2025	June 30, 2025
Associates			
Intelligo Technology Inc. and its subsidiaries	$ 69,057	$ 91,448	$ -
Other	707	161	161
Total	$ 69,764	$ 91,609	$ 161

(14) Others

A. During the six months ended June 30, 2026 and 2025, the Company acquired software from Intelligo Technology Inc. and its subsidiaries in the amount of NT$63,405 thousand and NT$65,655 thousand which was recorded as intangible assets, respectively.

B. The Company acquired approximately 3% of King Long Technology (Suzhou) Ltd. from KYEC Microelectronics Co., Ltd., subsidiary of King Yuan Electronics Co., Ltd. in the amount of USD$25,000 thousand in the six months ended June 30, 2025.

C. During the six months ended June 30, 2026, the Company acquired an investment accounted for using the equity method in subsidiary of AMobile Intelligent Corp. Limited in the amount of NT$108,260 thousand.

D. During the six months ended June 30, 2026, the Company disposed of financial assets to Core Evergreen Limited in the amount of USD$3,000 thousand.

E. During the six months ended June 30, 2026, the Company acquired equipment from King Yuan Electronics Co., Ltd. and its subsidiaries in the amount of NT$897 thousand.

(15) Key management personnel compensation

	Three months ended June 30		Six months ended June 30	
	2026	2025	2026	2025
Short-term employee benefits (Note)	$ 532,886	$ 531,110	$ 1,054,915	$ 1,104,381
Share-based payment	93,244	90,658	171,632	167,982
Post-employment benefits	1,059	949	2,225	2,420
Total	$ 627,189	$ 622,717	$ 1,228,772	$ 1,274,783

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

8. Assets Pledged as Collateral

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

	Carrying amount			
Assets pledged as collateral	June 30, 2026	December 31, 2025	June 30, 2025	Purpose of pledge
Financial assets measured at amortized cost - noncurrent	$ -	$ 12,457	$ 12,457	Lease performance bond
Financial assets measured at amortized cost - noncurrent	76,337	76,350	77,584	Customs bonded guarantee
Financial assets measured at amortized cost - noncurrent	96,779	96,779	96,779	Land lease guarantee
Financial assets measured at amortized cost - noncurrent	271,196	279,494	199,870	Performance bond
Property, plant and equipment - buildings and facilities	126,597	137,325	-	Long term borrowings
Investment property - buildings and facilities	163,430	180,042	-	Long term borrowings
Total	$ 734,339	$ 782,447	$ 386,690	

9. Contingencies and Off Balance Sheet Commitments

(1) Significant commitments

A. Hsu-Yuan signed a contract with RB on June 14, 2022, to obtain a land superficies of Lot No.2, Shuxing Section in Zhubei City which is of 17,363.24 square meters. The duration of the superficies is from the date the registration was completed (July 6, 2022) to June 13, 2092.

Hsu-Yuan shall pay the land rent and a royalty as agreed by both parties during the contract period. Hsu-Yuan also needs to pay NT$170,000 thousand as a performance bond.

B. The Company entered into capacity reservation contracts with several suppliers. According to the contracts, the suppliers shall provide agreed production capacity with the Company after prepayments are made by the Company.

C. The Company entered into long-term energy purchase agreements with several suppliers. The relative fulfillment period, quantity and price were specified in the agreements.

(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 MTK and subsidiary MediaTek USA Inc. on September 17, 2020, alleging infringement of United States Patent Nos. 9,590,977 and 10,298,564. Philips transferred the accused patents to Media Content Protection LLC (“MCP”) in August 2024 and MCP was substituted in as the plaintiff in place of Philips. The Court entered final judgement in favor of MediaTek on August 15, 2025. MCP appealed to the United States Court of Appeals for the Federal Circuit on August 22, 2025.

B. ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on November 10, 2022, alleging infringement of U.S. Patent Nos. 6,049,706, 6,266,518, 7,292,835 and 8,660,513.

ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on May 17, 2023, alleging infringement of U.S. Patent Nos. 7,483,686, 7,865,177 and 9,118,528.

ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on October 30, 2023, alleging infringement of U.S. Patent Nos. 7,050,508, 7,929,638 and 8,498,593.

C. Realtek Semiconductor Corporation filed a complaint in the United States District Court for the Northern District of California against MTK on June 6, 2023, asserting claims based on alleged unfair competition. The parties confidentially resolved the matter and the case has been dismissed with prejudice.

D. Array Cache Technologies, LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on June 30, 2025 and May 26, 2026, alleging infringement of U.S. Patent Nos. 11,334,485, 9,274,960, 11,068,410, 10,324,861, 11,188,464, 10,528,471.

E. Beijing Jingshi Intellectual Property Management Co., Ltd. filed patent administrative adjudications with the Hangzhou Intellectual Property Office against MediaTek (Shenzhen) Inc. on January 20, 2025, alleging infringement of China Patent Nos. 200710074307.6 and 201910689923.5.

Beijing Jingshi Intellectual Property Management Co., Ltd. filed patent administrative adjudications with the Hangzhou Intellectual Property Office against MediaTek (Shenzhen) Inc. on June 2, 2025, alleging infringement of China Patent Nos. 201010110115.8 and 201880055005.0.

Beijing Jingshi Intellectual Property Management Co., Ltd. filed complaints in the People's Republic of China for the Shanghai Intellectual Property Court against MTK, MediaTek (Shenzhen) Inc. and MediaTek (Shanghai) Inc. on December 9, 2024, requesting for a ruling of rate setting.

Beijing Jingshi Intellectual Property Management Co., Ltd. filed complaints in the People's Republic of China for the Shanghai Intellectual Property Court against MediaTek (Shenzhen) Inc. and MediaTek (Shanghai) Inc. on December 9, 2024, alleging infringement of China Patent Nos. 200980122565.4 and 201280065658.X.

Beijing Jingshi Intellectual Property Management Co., Ltd. and MTK have reached a settlement. Pursuant to the parties' agreement, the above-mentioned cases are being withdrawn or dismissed by the court.

F. K.Mizra LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on March 25, 2026, alleging infringement of U.S. Patent Nos. 8,374,154 and 8,873,531.

Except for cases that were dismissed or terminated (cases C, E), the Company is unable to determine the outcome of the above matters at this time as these matters are currently pending; further evaluations will be conducted on a continuous basis. The Company will handle these cases carefully.

10. Losses due to Major Disasters

None

11. Significant Subsequent Events

By resolution of the Board of the Directors on July 31, 2026, the Company may, by selecting any one or any combination of the following, issue domestic or overseas unsecured ordinary corporate bonds or convertible bonds, in a single tranche or in multiple tranches, to raise medium- to long-term funds. The issuance amount of the unsecured ordinary corporate bonds shall not exceed US$5 billion, the issuance amount of the unsecured convertible bonds shall not exceed US$4 billion, and the aggregate issuance amount of both shall not exceed US$5 billion.

12. Others

(1) Financial instruments

A. Categories of financial instruments

Financial assets

	June 30, 2026	December 31, 2025	June 30, 2025
Financial assets at fair value through profit or loss:			
Held for trading financial assets	$ 533	$ 5,131	$ 6,021
Mandatorily measured at fair value through profit or loss (Note 1)	11,502,701	7,433,665	8,220,474
Subtotal	11,503,234	7,438,796	8,226,495
Financial assets at fair value through other comprehensive income	82,882,562	70,762,340	68,799,636
Financial assets measured at amortized cost (Note 2)	348,760,725	387,084,349	326,889,329
Total	$ 443,146,521	$ 465,285,485	$ 403,915,460

Financial liabilities

	June 30, 2026	December 31, 2025	June 30, 2025
Financial liabilities at fair value through profit or loss:			
Held for trading financial liabilities	$ 38,891	$ 3,313	$ 403
Financial liabilities at amortized cost:			
Short-term borrowings	17,100,000	940,000	5,940,000
Trade payables (including related parties)	51,328,029	48,709,898	39,070,358
Other payables (including related parties)	102,376,062	107,815,189	99,888,163
Long-term payables (including current portion)	23,136,595	10,276,258	5,656,736
Long-term borrowings (including current portion)	120,000	60,000	-
Lease liabilities	9,785,015	9,189,246	9,323,583
Subtotal	203,845,701	176,990,591	159,878,840
Total	$ 203,884,592	$ 176,993,904	$ 159,879,243

Notes:

1. Includes trade receivables classified as financial assets measured at fair value through profit or loss in the amount of NT$6,085,654 thousand, NT$2,023,244 thousand and NT$2,260,449 thousand as of June 30, 2026, December 31, 2025, and June 30, 2025, respectively. Please refer to Note 6. (5) for further explanation.

2. Includes cash and cash equivalents (excluding cash on hand), financial assets measured at amortized cost, notes receivable, trade receivables (excluding financial assets measured at fair value through profit or loss of NT$6,085,654 thousand, NT$2,023,244 thousand and NT$2,260,449 thousand as of June 30, 2026, December 31, 2025 and June 30, 2025, respectively. Please refer to Note 6. (5) for further explanation.), other receivables and finance lease receivables, net.

B. Fair values of financial instruments

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

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

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

(a) The carrying amount of cash and cash equivalents, trade receivables (including related parties), other receivables (including related parties), short-term borrowings, trade payables (including related parties) and other payables (including related parties) approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) The fair value of derivative financial instruments is based on market quotations. For unquoted derivatives that are not options, the fair value is determined based on discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the option pricing model.

(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 some 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:

As of June 30, 2026

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Bonds	$ -	$ -	$ 447,260	$ 447,260
Linked deposits	-	-	1,337,052	1,337,052
Trust funds	3,406,339	-	-	3,406,339
Capital	-	-	226,396	226,396
Forward exchange contracts	-	533	-	533
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	33,794,932	7,864,664	40,706,209	82,365,805
Debt instruments measured at fair value through other comprehensive income	316,757	-	200,000	516,757
Total	$ 37,518,028	$ 7,865,197	$ 42,916,917	$ 88,300,142
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 38,891	$ -	$ 38,891

As of December 31, 2025

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Bonds	$ -	$ -	$ 1,818,101	$ 1,818,101
Linked deposits	-	-	554,361	554,361
Funds	-	-	277,837	277,837
Trust funds	2,649,272	-	-	2,649,272
Capital	-	-	110,850	110,850
Forward exchange contracts	-	5,131	-	5,131
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	35,155,100	3,795,447	30,992,261	69,942,808
Debt instruments measured at fair value through other comprehensive income	619,532	-	200,000	819,532
Total	$ 38,423,904	$ 3,800,578	$ 33,953,410	$ 76,177,892
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 3,313	$ -	$ 3,313

As of June 30, 2025

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Bonds	$ -	$ -	$ 1,786,910	$ 1,786,910
Linked deposits	-	-	676,079	676,079
Stocks	46,658	-	-	46,658
Funds	1,059,279	-	254,095	1,313,374
Capital	-	-	106,864	106,864
Trust funds	2,030,140	-	-	2,030,140
Forward exchange contracts	-	6,021	-	6,021
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	34,748,263	3,947,314	29,337,516	68,033,093
Debt instruments measured at fair value through other comprehensive income	565,326	-	201,217	766,543
Total	$ 38,449,666	$ 3,953,335	$ 32,362,681	$ 74,765,682
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 403	$ -	$ 403

For the six months ended June 30, 2026 and 2025, amounts transferred from level 2 of the fair value hierarchy to level 1 due to the release of the stock transfer restrictions were NT$298,792 thousand and nil , respectively.

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 was as follows:

	Asset								
	Mandatorily measured at fair value through profit or loss					Measured at fair value through other comprehensive income			
	Bonds	Funds	Linked deposits	Capital	Stocks	Bonds	Capital	Stocks	Total
As of January 1, 2026	$1,818,101	$ 277,837	$ 554,361	$ 110,850	$ -	$ 200,000	$ 22,845,313	$ 8,146,948	$ 33,953,410
Amount recognized in profit or loss	311,986	(9,570)	8,223	6,846	23,356	-	-	-	340,841
Amount recognized in OCI	-	-	-	-	-	-	1,804,197	2,355,810	4,160,007
Amount recognized in OCI-exchange differences	8,706	4,095	8,436	1,653	-	-	641,505	145,890	810,285
Acquisitions	-	-	890,512	109,690	509,400	-	832,715	5,616,392	7,958,709
Settlements	(1,691,533)	(272,362)	(124,480)	(2,643)	(532,756)	-	(228,437)	(95,754)	(2,947,965)
Transfer out of level 3	-	-	-	-	-	-	-	(1,358,370)	(1,358,370)
As of June 30, 2026	$ 447,260	$ -	$ 1,337,052	$ 226,396	$ -	$ 200,000	$ 25,895,293	$ 14,810,916	$ 42,916,917

	Asset							
	Mandatorily measured at fair value through profit or loss				Measured at fair value through other comprehensive income			
	Bonds	Funds	Linked deposits	Capital	Bonds	Capital	Stocks	Total
As of January 1, 2025	$ 1,648,978	$ 1,944,038	$ 2,629,495	$ 90,394	$ 201,216	$ 22,676,746	$ 8,878,057	$ 38,068,924
Amount recognized in profit or loss	42,190	38,690	14,335	(9,713)	-	-	-	85,502
Amount recognized in OCI	-	-	-	-	1	(571,345)	(398,071)	(969,415)
Amount recognized in OCI-exchange differences	(50,028)	(183,629)	(226,591)	-	-	(2,328,573)	(903,291)	(3,692,112)
Acquisitions	145,770	-	-	26,183	-	2,157,241	-	2,329,194
Settlements	-	(1,545,004)	(1,741,160)	-	-	(144,094)	(29,154)	(3,459,412)
As of June 30, 2025	$ 1,786,910	$ 254,095	$ 676,079	$ 106,864	$ 201,217	$ 21,789,975	$ 7,547,541	$ 32,362,681

Total (losses) gains related to assets recognized for the six months ended June 30, 2026 and 2025 amounted to NT$(285,651) thousand and NT$57,144 thousand, respectively.

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

The Company's recurring fair value measurements in Level 3 of the fair value hierarchy and significant unobservable inputs of fair value measurement in Level 3 fair value hierarchy were as follows:

As of June 30, 2026:

Valuation technique		Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:					
At fair value through other comprehensive income					
Stocks	Market Approach	Discount for lack of marketability	0 - 30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the six-month periods ended June 30, 2026 by NT$402,175 thousand.
Capital	Market Approach	Discount for lack of marketability	0 - 30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the six-month periods ended June 30, 2026 by NT$383,349 thousand.

As of December 31, 2025:

Valuation technique		Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:					
At fair value through other comprehensive income					
Stocks	Market Approach	Discount for lack of marketability	0 - 30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2025 by NT$637,000 thousand.
Capital	Market Approach	Discount for lack of marketability	0 - 30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2025 by NT$309,225 thousand.

As of June 30, 2025:

Valuation technique		Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:					
At fair value through other comprehensive income					
Stocks	Market Approach	Discount for lack of marketability	0 - 30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the six-month periods ended June 30, 2025 by NT$380,153 thousand.
Capital	Market Approach	Discount for lack of marketability	0 - 30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the six-month periods ended June 30, 2025 by NT$328,839 thousand.

The Company's linked-deposits, funds and bonds 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 analyzed 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 June 30, 2026

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property	$ -	$ -	$ 3,949,695	$ 3,949,695

As of December 31, 2025

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property	$ -	$ -	$ 3,834,444	$ 3,834,444

As of June 30, 2025

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property	$ -	$ -	$ 3,876,210	$ 3,876,210

D. Derivative financial instruments

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

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

Forward exchange contracts	Currency	Contract amount ('000)		Maturity
As of June 30, 2026	TWD to USD	Sell USD	170,000	July 2026
As of June 30, 2026	GBP to USD	Buy USD	31,000	September 2026
As of June 30, 2026	JPY to USD	Buy USD	1,246	September 2026
As of June 30, 2026	CNY to USD	Buy USD	39,987	September 2026
As of December 31, 2025	TWD to USD	Buy USD	30,000	January 2026
As of December 31, 2025	TWD to USD	Sell USD	15,000	January 2026
As of December 31, 2025	GBP to USD	Buy USD	31,000	January 2026
As of December 31, 2025	JPY to USD	Buy USD	1,299	June 2026
As of June 30, 2025	TWD to USD	Sell USD	20,000	July 2025
As of June 30, 2025	JPY to USD	Buy USD	1,413	December 2025

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. 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 and CNY. The information of the sensitivity analysis is as follows:

When NTD appreciates or depreciates against USD by 0.1%, the profit for the six months ended June 30, 2026 and 2025 would decrease/increase by NT$97,331 thousand and NT$75,667 thousand, while equity would decrease/increase by NT$122,125 thousand and NT$106,994 thousand, respectively.

When NTD appreciates or depreciates against CNY by 0.1%, the profit for the six months ended June 30, 2026 and 2025 would decrease/increase by NT$6 thousand and NT$2,536 thousand, while equity would decrease/increase by NT$34,986 thousand and NT$22,585 thousand, respectively.

b. Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest rates. At the reporting date, an increase/decrease of 10 basis points of interest rate in a reporting period could cause the profit for the six months ended June 30, 2026 and 2025 to increase/decrease by NT$603 thousand and NT$847 thousand, respectively.

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 company stocks classified under equity instrument investments measured at fair value through profit or loss could cause the profit or loss for the six months ended June 30, 2026 and 2025 to increase/decrease by nil and NT$467 thousand, respectively.

A change of 1% in the price of the listed company stocks and funds classified under equity instrument investments measured at fair value through other comprehensive income could cause the other comprehensive income for the six months ended June 30, 2026 and 2025 to increase/decrease by NT$416,596 thousand and NT$386,956 thousand, respectively.

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

B. Credit risk management

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

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

As of June 30, 2026, December 31, 2025, and June 30, 2025, receivables from top ten customers represented 56.92%, 59.97%, and 62.42% of the total trade receivables of the Company, respectively. The credit concentration risk of other account receivables was insignificant.

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

Credit risk of credit-linked deposits, interest rate-linked deposits, exchange-linked deposits, index-linked deposits and convertible bonds arises if the issuing banks breached the contracts or the debt issuer could not pay off the debts; the maximum exposure is the carrying value of those financial instruments. Therefore, the Company minimized the risk by only transacting with counterparty 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 finance lease receivables which are measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Company makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates. The details of the assessment for the credit risk of the Company are described as follows:

Level of credit risk	Indicator	Measurement method for expected credit losses	Carrying amount		
			June 30, 2026	December 31, 2025	June 30, 2025
Low credit risk	Credit risk measure belongs to IG category Counter parties with investment grade credit rating	12-month expected credit losses	$ 81,153,353	$ 85,568,873	$ 67,594,467
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category Contract payment overdue 30 days	Lifetime expected credit losses	$ -	$ -	$ -
Credit-impaired	Credit risk measure belongs to DS category or above Contract payment overdue 90 days Other impaired evidence	Lifetime expected credit losses	$ -	$ -	$ -
Simplified method (Note)	Not applicable	Lifetime expected credit losses	$ 76,993,663	$ 62,129,142	$ 70,120,068

Note: The Company adopted simplified method (lifetime expected credit loss) to measure credit risk. It includes notes receivable, trade receivables (including related parties) and finance 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 of that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (which is available without undue cost and effort) is mainly based on the macroeconomic information and industrial information and further adjusts the credit loss ratio if there is significant impact from forward-looking information.

C. Liquidity risk management

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

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Later than 5 years	Total
As of June 30, 2026				
Short-term borrowings	$ 17,125,928	$ -	$ -	$ 17,125,928
Trade payables (including related parties)	51,328,029	-	-	51,328,029
Other payables (including related parties)	102,371,848	-	-	102,371,848
Lease liabilities	1,583,732	2,228,894	8,655,297	12,467,923
Long-term payables (including current portion)	14,442,024	8,694,571	-	23,136,595
Long-term borrowings	-	91,874	34,946	126,820
Total	$ 186,851,561	$ 11,015,339	$ 8,690,243	$ 206,557,143
As of December 31, 2025				
Short-term borrowings	$ 942,637	$ -	$ -	$ 942,637
Trade payables (including related parties)	48,709,898	-	-	48,709,898
Other payables (including related parties)	107,813,262	-	-	107,813,262
Lease liabilities	1,163,796	2,054,383	8,612,520	11,830,699
Long-term payables (including current portion)	3,540,763	6,735,495	-	10,276,258
Long-term borrowings	-	39,987	23,423	63,410
Total	$ 162,170,356	$ 8,829,865	$ 8,635,943	$ 179,636,164

	Less than 1 year	1 to 5 years	Later than 5 years	Total
As of June 30, 2025				
Short-term borrowings	$ 5,948,609	$ -	$ -	$ 5,948,609
Trade payables (including related parties)	39,070,358	-	-	39,070,358
Other payables (including related parties)	99,884,326	-	-	99,884,326
Lease liabilities	1,138,717	2,095,377	8,662,565	11,896,659
Long-term payables (including current portion)	3,370,919	2,285,817	-	5,656,736
Total	$ 149,412,929	$ 4,381,194	$ 8,662,565	$ 162,456,688

Derivative financial liabilities

	Less than 1 year	1 to 5 years	Total
As of June 30, 2026			
Gross settlement			
Forward exchange contracts			
Inflow	$ 3,214,998	$ -	$ 3,214,998
Outflow	(3,229,080)	-	(3,229,080)
Net	(14,082)	-	(14,082)
Net settlement			
Forward exchange contracts	(58,199)	-	(58,199)
Total	$ (72,281)	$ -	$ (72,281)
As of December 31, 2025			
Gross settlement			
Forward exchange contracts			
Inflow	$ 373,629	$ -	$ 373,629
Outflow	(377,328)	-	(377,328)
Net	$ (3,699)	$ -	$ (3,699)
As of June 30, 2025			
Gross settlement			
Forward exchange contracts			
Inflow	$ 70,119	$ -	$ 70,119
Outflow	(70,522)	-	(70,522)
Net	$ (403)	$ -	$ (403)

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 six months ended June 30, 2026:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
As of January 1, 2026	$ 940,000	$ 60,000	$ 9,189,246	$ 277,575	$ 10,466,821
Cash flows	16,160,000	60,000	(1,082,139)	(14,035)	15,123,826
Non-cash movement	-	-	1,677,908	-	1,677,908
As of June 30, 2026	$ 17,100,000	$ 120,000	$ 9,785,015	$ 263,540	$ 27,268,555

Reconciliation of liabilities for the six months ended June 30, 2025:

	Short-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
As of January 1, 2025	$ 940,000	$ 9,370,308	$ 196,400	$ 10,506,708
Cash flows	5,000,000	(840,840)	(19,610)	4,139,550
Non-cash movement	-	794,115	-	794,115
As of June 30, 2025	$ 5,940,000	$ 9,323,583	$ 176,790	$ 15,440,373

(3) Significant assets and liabilities denominated in foreign currencies

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

	June 30, 2026		
	Foreign Currency (thousand)	Exchange rate	NT$ (thousand)
Financial assets			
Monetary item:			
USD	$ 4,821,928	31.918	$ 153,906,298
CNY	$ 554,996	4.705	$ 2,611,256
Non-monetary item:			
USD	$ 3,799,567	31.918	$ 121,274,580
CNY	$ 7,006,008	4.705	$ 32,963,268
Financial liabilities			
Monetary item:			
USD	$ 1,745,875	31.918	$ 55,724,838
CNY	$ 123,753	4.705	$ 582,258

	December 31, 2025		
	Foreign Currency (thousand)	Exchange rate	NT$ (thousand)
Financial assets			
Monetary item:			
USD	$ 5,855,753	31.444	$ 184,124,558
CNY	$ 758,237	4.497	$ 3,409,944
Non-monetary item:			
USD	$ 3,874,062	31.444	$ 121,816,008
CNY	$ 6,022,490	4.497	$ 27,084,342
Financial liabilities			
Monetary item:			
USD	$ 2,322,049	31.444	$ 73,014,505
CNY	$ 92,665	4.497	$ 416,733

	June 30, 2025		
	Foreign Currency (thousand)	Exchange rate	NT$ (thousand)
Financial assets			
Monetary item:			
USD	$ 4,645,244	29.154	$ 135,408,908
CNY	$ 649,275	4.071	$ 2,642,971
Non-monetary item:			
USD	$ 3,569,163	29.154	$ 104,055,392
CNY	$ 5,547,530	4.071	$ 22,582,051
Financial liabilities			
Monetary item:			
USD	$ 1,929,023	29.154	$ 56,238,730
CNY	$ 25,333	4.071	$ 103,123

The above information is disclosed based on the carrying amounts of foreign currencies (after conversion to the Company's functional currency).

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) for the six months ended June 30, 2026 and 2025 please refer to Note 6. (27).

(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 six months ended June 30, 2026: Please refer to Attachment 1.

B. Endorsement/Guarantee provided to others for the six months ended June 30, 2026: Please refer to Attachment 2.

C. Significant securities held as of June 30, 2026: Please refer to Attachment 3.

D. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock for the six months ended June 30, 2026: Please refer to Attachment 4.

E. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of the capital stock as of June 30, 2026: Please refer to Attachment 5.

F. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 6.

(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 7.

(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 8.

B. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please refer to Attachment 1 and Attachment 6.

14. Segment Information

(1) General information

The major sales of the Company come from integrated circuit design products for multimedia and mobile phone chips. The chief operating decision maker reviews the overall operating results to make decisions about resources to be allocated to and evaluates the overall performance. Therefore, the Company is aggregated into a single segment.

MEDIATEK INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

For the six months ended June 30, 2026

Attachment 1

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

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance	Amount Actually Drawn	Interest Rate (Note 3)	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 Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Other receivables from related party	Yes	$ 324,821 CNY 70,000	$ - CNY -	$ - CNY -	NA	Short-term financing	–	Constructing Building	–	NA	–	$ 19,438,713 CNY 4,131,475	$ 19,438,713 CNY 4,131,475
		MediaTek (Shanghai) Inc.	Other receivables from related party	Yes	$ 1,113,672 CNY 240,000	$ 470,503 CNY 100,000	$ 470,503 CNY 100,000	3.00%	Short-term financing	–	Constructing Building	–	NA	–	$ 19,438,713 CNY 4,131,475	$ 19,438,713 CNY 4,131,475
		MediaTek (Wuhan) Inc.	Other receivables from related party	Yes	$ 649,642 CNY 140,000	$ 446,978 CNY 95,000	$ 446,978 CNY 95,000	3.00%	Short-term financing	–	Constructing Building	–	NA	–	$ 19,438,713 CNY 4,131,475	$ 19,438,713 CNY 4,131,475
2	Hsu Zhan (HK) Investment Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 35,270,400 USD 1,100,000	$ 35,109,800 USD 1,100,000	$ 12,639,528 USD 396,000	4.92%~5.62%	Short-term financing	–	Operating Capital	–	NA	–	$ 80,736,671 USD 2,529,503	$ 80,736,671 USD 2,529,503
		MediaTek Japan Inc.	Other receivables from related party	Yes	$ 40,832 JPY 200,000	$ 39,346 JPY 200,000	$ 39,346 JPY 200,000	1.00%	Short-term financing	–	Operating Capital	–	NA	–	$ 80,736,671 USD 2,529,503	$ 80,736,671 USD 2,529,503
3	Digimoc Holdings Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 3,378,640 USD 107,600	$ - USD -	$ - USD -	NA	Short-term financing	–	Operating Capital	–	NA	–	$ 41,214,124 USD 1,291,250	$ 41,214,124 USD 1,291,250
4	MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 3,182,390 USD 101,350	$ 2,631,639 USD 82,450	$ 2,631,639 USD 82,450	0.00%	Short-term financing	–	Operating Capital	–	NA	–	$ 18,683,687 USD 585,365	$ 18,683,687 USD 585,365
5	Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Other receivables from related party	Yes	$ 256,512 USD 8,000	$ 255,344 USD 8,000	$ 223,426 USD 7,000	0.00%	Short-term financing	–	Operating Capital	–	NA	–	$ 222,904,506 USD 6,983,661	$ 222,904,506 USD 6,983,661
		Digimoc Holdings Limited	Other receivables from related party	Yes	$ 6,383,600 USD 200,000	$ 6,383,600 USD 200,000	$ 1,113,938 USD 34,900	0.00%	Short-term financing	–	Operating Capital	–	NA	–	$ 222,904,506 USD 6,983,661	$ 222,904,506 USD 6,983,661
		MediaTek Inc.	Other receivables from related party	Yes	$ 99,077,760 USD 3,090,000	$ 98,626,620 USD 3,090,000	$ 66,708,620 USD 2,090,000	0.00%	Short-term financing	–	Operating Capital	–	NA	–	$ 222,904,506 USD 6,983,661	$ 222,904,506 USD 6,983,661
		MTK Wireless Limited	Other receivables from related party	Yes	$ 993,984 USD 31,000	$ 989,458 USD 31,000	$ 989,458 USD 31,000	0.00%	Short-term financing	–	Operating Capital	–	NA	–	$ 222,904,506 USD 6,983,661	$ 222,904,506 USD 6,983,661
6	LePower (HK) Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 849,696 USD 26,500	$ 845,827 USD 26,500	$ 845,827 USD 26,500	5.58%	Short-term financing	–	Operating Capital	–	NA	–	$ 9,589,520 CNY 2,038,142	$ 9,589,520 CNY 2,038,142
7	Gold Rich International (HK) Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 640,318 USD 19,970	$ 637,402 USD 19,970	$ 637,402 USD 19,970	5.58%	Short-term financing	–	Operating Capital	–	NA	–	$ 4,100,339 USD 128,465	$ 4,100,339 USD 128,465
8	Cloud Ranger Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 801,600 USD 25,000	$ 797,950 USD 25,000	$ 797,950 USD 25,000	0.00%	Short-term financing	–	Operating Capital	–	NA	–	$ 1,767,926 USD 55,390	$ 1,767,926 USD 55,390
9	MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	Other receivables from related party	Yes	$ 38,476,800 USD 1,200,000	$ 38,301,600 USD 1,200,000	$ 37,663,240 USD 1,180,000	4.72%~5.42%	Short-term financing	–	Operating Capital	–	NA	–	$ 43,276,288 USD 1,355,858	$ 43,276,288 USD 1,355,858
10	Hsiang Fa Co.	MediaTek Capital Co.	Other receivables from related party	Yes	$ 1,100,000	$ 1,100,000	$ 850,000	2.19%	Short-term financing	–	Operating Capital	–	NA	–	$ 3,899,556	$ 15,598,224

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

A. The total amount for lending shall not exceed 40% of the lender's net worth,

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

C. Fund lending between foreign subsidiaries held directly or indirectly by the lender with 100% of voting stocks or foreign subsidiaries held directly or indirectly by the lender with 100% of voting stocks to MediaTek Inc. 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.

Note 3: The attachment above indicates the financing between subsidiarires that are 100% owned within the group, related interest expense and income are recognized in the individual company accounts. There is no impact on the overall profit or loss of the group when preparing the consolidated financial statements.

MEDIATEK INC. AND SUBSIDIARIES
ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
For the six months ended June 30, 2026

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	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	$ 84,838,047 (Note 1)	$ 24,000,000	$ 24,000,000	$ -	$ -	5.66%	$ 212,095,118	Y	N	N
		MediaTek China Limited	A	$ 84,838,047 (Note 1)	$ 9,000,000	$ 9,000,000	$ -	$ -	2.12%		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.

MEDIATEK INC. AND SUBSIDIARIES
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
As of June 30, 2026

Attachment 3

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	June 30, 2026							
				Units/Shares	Carrying Amount		Percentage of Ownership(%)	Fair Value			Note
Financial assets mandatorily measured at fair value through profit or loss - current	Linked deposits	JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD	17,890	-	USD	17,890		-
Financial assets mandatorily measured at fair value through profit or loss - noncurrent	Trust funds	Trust Funds	MediaTek USA Inc.	-	USD	103,768	-	USD	103,768		-
Financial assets mandatorily measured at fair value through profit or loss - noncurrent	Bonds	Carsome Group Convertible Promissory Note	MTKC Global Holdings Co. Limited	-	USD	12,908	-	USD	12,908		-
Debt instrument investments measured at fair value through other comprehensive income - current	Bonds	Taiwan Semiconductor Manufacturing Co., Ltd.	Hsu Zhan (HK) Investment Limited	-	USD	9,924	-	USD	9,924		-
Equity instrument investments measured at fair value through other comprehensive income - current	Stocks	Shenzhen Goodix Technology Co., Ltd.	Gold Rich International (HK) Limited	8,476,712	USD	74,161	2 %	USD	74,161		-
Equity instrument investments measured at fair value through other comprehensive income - current	Stocks	Andes Technology Corporation	Hsiang Fa Co.	3,249,324	$	640,117	6 %	$	640,117		-
Equity instrument investments measured at fair value through other comprehensive income - current	Stocks	CHUNGHWA PRECISION TEST TECH. CO., LTD.	Hsiang Fa Co.	176,000	$	534,160	1 %	$	534,160		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	FUBON Financial Holding Co., Ltd., Preferred Stock B	MediaTek Inc.	15,000,000	$	943,500	0 %	$	943,500		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	FUBON Financial Holding Co., Ltd., Preferred Stock C	MediaTek Inc.	7,056,243	$	364,808	0 %	$	364,808		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	SHENZHEN TRANSSION HOLDINGS LIMITED	Digimoc Holdings Limited	71,573,109	USD	621,957	6 %	USD	621,957		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	AutoX, Inc.	Digimoc Holdings Limited	55,009,500	USD	80,864	3 %	USD	80,864		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	Puga Holdings Limited	Digimoc Holdings Limited	2,500	USD	12,376	6 %	USD	12,376		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	Aeonsemi, Inc.	Digimoc Holdings Limited	1,417,657	USD	18,592	6 %	USD	18,592		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	Ayar Labs, Inc.	Digimoc Holdings Limited	1,722,759	USD	90,000	2 %	USD	90,000		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	Reed Semiconductor Corp	Digimoc Holdings Limited	3,222,875	USD	29,000	4 %	USD	29,000		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	ALCHIP TECHNOLOGIES, INC.	MediaTek Capital Co.	450,000	$	1,699,826	1 %	$	1,699,826		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	BE Epitaxy Semiconductor Technology Co., Ltd.	MediaTek Capital Co.	2,430,000	$	1,358,370	9 %	$	1,358,370		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	Unimicron Technology Corp.	MediaTek Capital Co.	500,000	$	535,000	0 %	$	535,000		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	ITH Corporation	Gaintech Co. Limited	53,889,085	USD	65,806	11 %	USD	65,806		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	ScaleFlux Inc.	Cloud Ranger Limited	2,096,587	USD	17,475	2 %	USD	17,475		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	Transsnet FinTech Group	MTKC Global Holdings Co. Limited	14,256,620	USD	10,449	2 %	USD	10,449		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	Vastai Technologies (Shanghai) Inc.	MTKC Global Holdings Co. Limited	4,252,861	USD	38,115	1 %	USD	38,115		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	Maxone Semiconductor (Suzhou) Co., Ltd	LePower (HK) Limited	2,474,300	CNY	1,310,266	2 %	CNY	1,310,266		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	AI Speech Co., Ltd.	MediaTek (Beijing) Inc.	4,638,600	CNY	75,907	1 %	CNY	75,907		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	Shenzhen ORVIBO Technology Co., Ltd	Xuxin Investment (Shanghai) Inc.	1,419,593	CNY	67,800	2 %	CNY	67,800		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	MediaTek Inc.	Hsiang Fa Co.	7,794,085	$	33,085,891	0 %	$	33,085,891		1
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Stocks	Ennoconn Corporation	Hsiang Fa Co.	3,682,456	$	1,360,667	3 %	$	1,360,667		-

(To be continued)

(Continued)

MEDIATEK INC. AND SUBSIDIARIES
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
As of June 30, 2026

Attachment 3

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	June 30, 2026							
				Units/Shares	Carrying Amount		Percentage of Ownership(%)	Fair Value			Note
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Celesta Capital III, L.P.	Digimoc Holdings Limited	-	USD	10,681	-	USD	10,681		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Achi Capital Partners Fund LP	Digimoc Holdings Limited	-	USD	109,318	-	USD	109,318		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Huaxin (Shanghai) Venture Capital Management Co., Ltd.	Gaintech Co. Limited	-	USD	61,238	-	USD	61,238		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Walden Technology Venture II, L.P.	Gaintech Co. Limited	-	USD	11,959	-	USD	11,959		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Shanghai Summitview IC Equity Investment Ltd	Gaintech Co. Limited	-	USD	42,910	-	USD	42,910		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	HOPU USD Master Fund III, L.P.	Gaintech Co. Limited	-	USD	25,601	-	USD	25,601		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Walden Technology Venture III, L.P.	Gaintech Co. Limited	-	USD	36,142	-	USD	36,142		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Hua Capital Integrated Circuit Fund L.P.	MTKC Global Holdings Co. Limited	-	USD	12,725	-	USD	12,725		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Prime Movers Growth Fund I L.P.	MTKC Global Holdings Co. Limited	-	USD	12,876	-	USD	12,876		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Matter Venture Partners Fund I, L.P.	MTKC Global Holdings Co. Limited	-	USD	9,613	-	USD	9,613		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	AaltoSemi Inc.	LePower (HK) Limited	-	CNY	154,000	-	CNY	154,000		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	HEVC ADVANCE LLC	MediaTek USA Inc.	-	USD	10,842	-	USD	10,842		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Hebei Changjiang Nio new energy industry investment fund LP	MediaTek (Beijing) Inc.	-	CNY	159,156	-	CNY	159,156		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Shanghai SummitView IC M&A	MediaTek (Shenzhen) Inc.	-	CNY	68,518	-	CNY	68,518		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Nanjing AutoAI Technology Co., Ltd.	MediaTek (Shenzhen) Inc.	-	CNY	568,763	-	CNY	568,763		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Shanghai UniVista Industrial Software Group Co., Ltd.	MediaTek (Shenzhen) Inc.	-	CNY	369,168	-	CNY	369,168		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Shanghai Summitview IC M AND A Investment Limited partnership	MediaTek (Shanghai) Inc.	-	CNY	152,359	-	CNY	152,359		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	KQ Semiconductor Fund	Hefei Xuhui Management Consulting Co., Ltd.	-	CNY	380,664	-	CNY	380,664		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Capital	Kun Qiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (L.P.)	Hefei Xuhui Management Consulting Co., Ltd.	-	CNY	308,249	-	CNY	308,249		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Funds	Fund issued by Cathay Financial Holdings Co., Ltd.	MediaTek Inc.	-	$	1,934,922	-	$	1,934,922		-
Equity instrument investments measured at fair value through other comprehensive income - noncurrent	Funds	Fund issued by Fubon Financial Holding Co., Ltd.	MediaTek Inc.	-	$	333,171	-	$	333,171		-
Financial assets measured at amortized cost - current	Bonds	National Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY	150,000	-	CNY	149,958		-
Financial assets measured at amortized cost - current	Bonds	International Business Machines Corporation	Hsu Zhan (HK) Investment Limited	-	USD	17,707	-	USD	16,574		-
Financial assets measured at amortized cost - current	Bonds	JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD	28,800	-	USD	29,599		-
Financial assets measured at amortized cost - current	Bonds	Sumitomo Mitsui Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD	13,886	-	USD	12,505		-
Financial assets measured at amortized cost - current	Bonds	Westpac Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD	14,883	-	USD	14,153		-
Financial assets measured at amortized cost - noncurrent	Bonds	Fubon Life Insurance Co., Ltd.	MediaTek Inc.	-	$	490,000	-	$	494,328		-
Financial assets measured at amortized cost - noncurrent	Bonds	KGI Securities Co., Ltd.	MediaTek Inc.	-	$	580,000	-	$	577,166		-
Financial assets measured at amortized cost - noncurrent	Bonds	Taiwan Semiconductor Manufacturing Co., Ltd.	MediaTek Inc.	-	$	500,227	-	$	495,587		2
Financial assets measured at amortized cost - noncurrent	Bonds	Bank of America Corporation	Hsu Fa (Samoa) Investment Ltd.	-	CNY	537,000	-	CNY	545,408		-

(To be continued)

(Continued)

MEDIATEK INC. AND SUBSIDIARIES
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
As of June 30, 2026

Attachment 3

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	June 30, 2026							
				Units/Shares	Carrying Amount		Percentage of Ownership(%)	Fair Value			Note
Financial assets measured at amortized cost - noncurrent	Bonds	Crédit Agricole	Hsu Fa (Samoa) Investment Ltd.	-	CNY	298,000	-	CNY	299,493		-
Financial assets measured at amortized cost - noncurrent	Bonds	National Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY	1,252,000	-	CNY	1,278,250		-
Financial assets measured at amortized cost - noncurrent	Bonds	Royal Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY	561,000	-	CNY	559,786		-
Financial assets measured at amortized cost - noncurrent	Bonds	The Goldman Sachs Group, Inc.	Hsu Fa (Samoa) Investment Ltd.	-	CNY	395,000	-	CNY	407,742		-
Financial assets measured at amortized cost - noncurrent	Bonds	Advanced Micro Devices, Inc.	Hsu Zhan (HK) Investment Limited	-	USD	17,193	-	USD	16,739		-
Financial assets measured at amortized cost - noncurrent	Bonds	Amazon.com, Inc.	Hsu Zhan (HK) Investment Limited	-	USD	43,336	-	USD	41,824		-
Financial assets measured at amortized cost - noncurrent	Bonds	Bank of America Corporation	Hsu Zhan (HK) Investment Limited	-	USD	179,553	-	USD	173,552		-
Financial assets measured at amortized cost - noncurrent	Bonds	BNP Paribas	Hsu Zhan (HK) Investment Limited	-	USD	44,606	-	USD	43,829		-
Financial assets measured at amortized cost - noncurrent	Bonds	Cathay Life Insurance.	Hsu Zhan (HK) Investment Limited	-	USD	30,000	-	USD	31,467		-
Financial assets measured at amortized cost - noncurrent	Bonds	Citigroup Inc.	Hsu Zhan (HK) Investment Limited	-	USD	124,735	-	USD	123,962		-
Financial assets measured at amortized cost - noncurrent	Bonds	Crédit Agricole	Hsu Zhan (HK) Investment Limited	-	USD	37,237	-	USD	37,285		-
Financial assets measured at amortized cost - noncurrent	Bonds	Foxconn Technology Group	Hsu Zhan (HK) Investment Limited	-	USD	17,683	-	USD	17,694		-
Financial assets measured at amortized cost - noncurrent	Bonds	HSBC Holdings plc	Hsu Zhan (HK) Investment Limited	-	USD	19,770	-	USD	19,703		-
Financial assets measured at amortized cost - noncurrent	Bonds	ING Group, N.V.	Hsu Zhan (HK) Investment Limited	-	USD	9,891	-	USD	9,650		-
Financial assets measured at amortized cost - noncurrent	Bonds	International Business Machines Corporation	Hsu Zhan (HK) Investment Limited	-	USD	71,567	-	USD	70,752		-
Financial assets measured at amortized cost - noncurrent	Bonds	JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD	204,708	-	USD	203,998		-
Financial assets measured at amortized cost - noncurrent	Bonds	Mitsubishi UFJ Financial Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD	95,904	-	USD	92,388		-
Financial assets measured at amortized cost - noncurrent	Bonds	Mizuho Financial Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD	131,829	-	USD	128,644		-
Financial assets measured at amortized cost - noncurrent	Bonds	Morgan Stanley	Hsu Zhan (HK) Investment Limited	-	USD	247,051	-	USD	239,667		-
Financial assets measured at amortized cost - noncurrent	Bonds	National Bank of Canada	Hsu Zhan (HK) Investment Limited	-	USD	18,000	-	USD	18,000		-
Financial assets measured at amortized cost - noncurrent	Bonds	NVIDIA CORP	Hsu Zhan (HK) Investment Limited	-	USD	24,922	-	USD	23,288		-
Financial assets measured at amortized cost - noncurrent	Bonds	Royal Bank of Canada	Hsu Zhan (HK) Investment Limited	-	USD	117,917	-	USD	118,232		-
Financial assets measured at amortized cost - noncurrent	Bonds	Sumitomo Mitsui Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD	60,490	-	USD	58,531		-
Financial assets measured at amortized cost - noncurrent	Bonds	Taiwan Semiconductor Manufacturing Co., Ltd.	Hsu Zhan (HK) Investment Limited	-	USD	69,307	-	USD	65,321		-
Financial assets measured at amortized cost - noncurrent	Bonds	The Bank of Nova Scotia	Hsu Zhan (HK) Investment Limited	-	USD	116,979	-	USD	116,960		-
Financial assets measured at amortized cost - noncurrent	Bonds	The Goldman Sachs Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD	77,694	-	USD	75,699		-
Financial assets measured at amortized cost - noncurrent	Bonds	UBS Group AG	Hsu Zhan (HK) Investment Limited	-	USD	9,822	-	USD	9,888		-
Financial assets measured at amortized cost - noncurrent	Bonds	Wells Fargo & Company	Hsu Zhan (HK) Investment Limited	-	USD	64,351	-	USD	62,607		-

Note 1: Ultimate parent entity.
Note 2: Including the 2022 fourth offering of 5-year, 2022 first offering of 7-year, the 2025 third offering of 5-year and the 2026 second offering of 5-year unsecured ordinary corporate bonds (green bonds) of Taiwan Semiconductor Manufacturing Company Limited (TSMC).

MEDIATEK INC. AND SUBSIDIARIES

RELATED PARTY TRANSACTIONS FOR PURCHASES AND SALES AMOUNTS EXCEEDING THE LOWER OF NT$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK

For the six-month periods ended June 30, 2026

Attachment 4

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

Company Name	Counter-party	Relationship	Transaction Details				Details of Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	Percentage of Total Purchases/ Sales	Payment Term			Ending Balance	Percentage of Total Notes/Trade Receivables (Payables)	
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	Sales (Note 1)	$ 2,989,818	1.67%	Charged by a certain period	–	–	$ 550,635	1.22 %	–
MediaTek Inc.	HFI Innovation Inc.	Subsidiary	Sales (Note 2)	$ 131,077	0.07%	Charged by a certain period	–	–	$ -	– %	–
MediaTek Inc.	Intelligo Technology Inc.	Associate	Sales	$ 250,946	0.14%	30 days	–	–	$ 33,231	0.07 %	–
MediaTek Inc.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	$ 2,119,614	–	75 days	–	–	$ -	– %	3
MediaTek Singapore Pte. Ltd.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 34,969	–	75 days	–	–	USD -	– %	3
MediaTek Singapore Pte. Ltd.	Intelligo Technology Singapore Pte.Ltd.	Associate	Sales	USD 4,900	0.15%	10 days	–	–	USD 889	0.11 %	–
Airoha Technology Corp.	King Yuan Electronics Co., Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	$ 254,495	–	75 days	–	–	$ -	– %	3
Airoha Technology Corp.	ASIX Electronics Corporation	Associate	Sales	$ 121,113	1.25%	30 days	–	–	$ 20,612	0.69 %	–

Note 1: mainly license revenues

Note 2: mainly IP revenues

Note 3: King Yuan Electronics Co., Ltd. re-elected its chairman on May 29, 2026. Accordingly, King Yuan Electronics Co., Ltd. was no longer a substantive related party since then.

MEDIATEK INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF NT$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK

As of June 30, 2026

Attachment 5

(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	$ 16,509,635	(Note1) (Note4)	–	$ –	–	$ 511,208	$ –
MediaTek Inc.	MediaTek Communication (Hefei) Co., Ltd.	Subsidiary	$ 496,625	(Note1)	–	$ –	–	$ –	$ –
MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	Subsidiary	$ 38,268,233	(Note2)	–	$ –	–	$ –	$ –
MediaTek Bangalore Private Limited	MediaTek Inc.	Subsidiary	$ 348,401	(Note1)	–	$ –	–	$ 348,401	$ –
Gaintech Co. Limited	MediaTek Inc.	Subsidiary	$ 66,708,620	(Note2)	–	$ –	–	$ –	$ –
Gaintech Co. Limited	Digimoc Holdings Limited	Subsidiary	$ 1,113,938	(Note2)	–	$ –	–	$ –	$ –
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Subsidiary	$ 223,426	(Note2)	–	$ –	–	$ –	$ –
Gaintech Co. Limited	MTK Wireless Limited	Subsidiary	$ 989,458	(Note2)	–	$ –	–	$ –	$ –
Cloud Ranger Limited	Gaintech Co. Limited	Subsidiary	$ 797,950	(Note2)	–	$ –	–	$ –	$ –
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	$ 454,353	(Note2)	–	$ –	–	$ –	$ –
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	Subsidiary	$ 484,491	(Note2)	–	$ –	–	$ –	$ –
MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Subsidiary	$ 2,631,639	(Note2)	–	$ –	–	$ 237,789	$ –
Hsu Zhan (HK) Investment Limited	Gaintech Co. Limited	Subsidiary	$ 12,699,159	(Note2)	–	$ –	–	$ –	$ –
MediaTek Egypt	MediaTek Inc.	Subsidiary	$ 101,641	(Note1)	–	$ –	–	$ 87,446	$ –
LePower (HK) Limited	Gaintech Co. Limited	Subsidiary	$ 883,714	(Note2)	–	$ –	–	$ –	$ –
Gold Rich International (HK) Limited	Gaintech Co. Limited	Subsidiary	$ 665,954	(Note2)	–	$ –	–	$ –	$ –
MTK Wireless Limited	MediaTek Egypt	Subsidiary	$ 122,470	(Note1)	–	$ –	–	$ –	$ –
MediaTek USA Inc.	MediaTek Inc.	Subsidiary	$ 2,196,285	(Note1)	–	$ –	–	$ 2,196,285	$ –
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	$ 226,123	(Note1)	–	$ –	–	$ 101,375	$ –
MediaTek North America Inc.	MediaTek Inc.	Subsidiary	$ 183,356	(Note1)	–	$ –	–	$ 183,356	$ –
Hsiang Fa Co.	MediaTek Capital Co.	Subsidiary	$ 861,730	(Note2)	–	$ –	–	$ –	$ –
Hsiang Fa Co.	Chingis Technology Corporation	Subsidiary	$ 180,000	(Note3)	–	$ –	–	$ –	$ –
Li-We Technology Corp.	Richtek Technology Corp.	Subsidiary	$ 106,946	(Note1)	–	$ –	–	$ 37,917	$ –
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	$ 465,411	(Note1)	–	$ –	–	$ –	$ –
Airoha Technology (Suzhou) Limited	Airoha Technology Corp.	Subsidiary	$ 204,591	(Note1)	–	$ –	–	$ –	$ –

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

MEDIATEK INC. AND SUBSIDIARIES

THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES

For the six-month periods ended June 30, 2026

Attachment 6

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transaction			
				Accounts	Amount	Transaction Terms	Percentage of Consolidated Net Sales or Total Assets (Note 3)
0	MediaTek Inc.	Airoha Technology Corp.	A	Trade payables to related party	$ 465,411	By contract	0.06%
0	MediaTek Inc.	MediaTek Singapore Pte. Ltd.	A	Trade receivables from related party	$ 550,635	By contract	0.07%
0	MediaTek Inc.	MediaTek Singapore Pte. Ltd.	A	Other receivables from related party	$ 15,959,000	By contract	2.03%
0	MediaTek Inc.	MediaTek Singapore Pte. Ltd.	A	Sales	$ 2,989,818	By contract	0.99%
0	MediaTek Inc.	MediaTek Bangalore Private Limited	A	Other payables to related party	$ 348,401	By contract	0.04%
0	MediaTek Inc.	MediaTek Bangalore Private Limited	A	Research and development expenses	$ 2,054,084	By contract	0.68%
0	MediaTek Inc.	Gaintech Co. Limited	A	Long-term payables to related party	$ 66,708,620	By contract	8.47%
0	MediaTek Inc.	MediaTek India Technology Pvt. Ltd.	A	Research and development expenses	$ 661,661	By contract	0.22%
0	MediaTek Inc.	MediaTek Communication (Hefei) Co., Ltd.	A	Other receivables from related party	$ 315,956	By contract	0.04%
0	MediaTek Inc.	MTK Wireless Limited	A	Research and development expenses	$ 517,534	By contract	0.17%
0	MediaTek Inc.	MediaTek USA Inc.	A	Other payables to related party	$ 2,196,285	By contract	0.28%
0	MediaTek Inc.	MediaTek USA Inc.	A	Research and development expenses	$ 8,193,244	By contract	2.72%
0	MediaTek Inc.	MediaTek North America Inc.	A	Selling expenses	$ 620,760	By contract	0.21%
1	MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	C	Other receivables from related party	$ 38,268,233	By contract	4.86%
1	MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	C	Non-operating revenue	$ 937,766	By contract	0.31%
1	MediaTek Singapore Pte. Ltd.	MediaTek Korea Inc.	C	Research and development expenses	$ 510,906	By contract	0.17%
1	MediaTek Singapore Pte. Ltd.	MediaTek Wireless Finland Oy	C	Research and development expenses	$ 651,688	By contract	0.22%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Hefei) Inc.	C	Research and development expenses	$ 1,621,657	By contract	0.54%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Beijing) Inc.	C	Research and development expenses	$ 1,681,116	By contract	0.56%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Shenzhen) Inc.	C	Research and development expenses	$ 2,314,559	By contract	0.77%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Chengdu) Inc.	C	Research and development expenses	$ 888,485	By contract	0.29%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Wuhan) Inc.	C	Research and development expenses	$ 399,579	By contract	0.13%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Shanghai) Inc.	C	Research and development expenses	$ 1,061,717	By contract	0.35%
2	MediaTek Capital Co.	Hsiang Fa Co.	C	Other payables to related party	$ 861,730	By contract	0.11%
3	Gaintech Co. Limited	Digimoc Holdings Limited	C	Other receivables from related party	$ 1,113,938	By contract	0.14%
3	Gaintech Co. Limited	Cloud Ranger Limited	C	Long-term payables to related party	$ 797,950	By contract	0.10%
3	Gaintech Co. Limited	MTKC Global Holdings Co. Limited	C	Long-term payables to related party	$ 2,631,639	By contract	0.33%
3	Gaintech Co. Limited	Hsu Zhan (HK) Investment Limited	C	Other payables to related party	$ 12,699,159	By contract	1.61%
3	Gaintech Co. Limited	LePower (HK) Limited	C	Other payables to related party	$ 883,714	By contract	0.11%
3	Gaintech Co. Limited	Gold Rich International (HK) Limited	C	Other payables to related party	$ 665,954	By contract	0.08%
3	Gaintech Co. Limited	MTK Wireless Limited	C	Other receivables from related party	$ 989,458	By contract	0.13%
4	Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	C	Long-term receivables from related party	$ 454,353	By contract	0.06%
4	Hsu Fa (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	C	Long-term receivables from related party	$ 484,491	By contract	0.06%

(To be continued)

(Continued)

MEDIATEK INC. AND SUBSIDIARIES

THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES

For the six-month periods ended June 30, 2026

Attachment 6

Note 1: MediaTek Inc. and subsidiaries are coded as follows:

A. MediaTek Inc. is coded 0.

B. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: There are three types of relationship categorized as follows:

A. The holding companies to subsidiaries.

B. Subsidiaries to the holding companies.

C. Subsidiaries to subsidiaries.

Note 3: Percentage of consolidated operating revenues or total assets is calculated as follows: for the balance sheet accounts, the ending balance of assets or liabilities divided by consolidated total assets, or for the income statement accounts, the interim accumulated amounts divided by consolidated sales.

Note 4: The disclosure standard of above transactions between the holding company and subsidiaries is amounts exceeding NT$ 300 million, including purchases, sales, trade payables to related party and trade receivables from related party.

MEDIATEK INC. AND SUBSIDIARIES

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

For the six months ended June 30, 2026

Attachment 7

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

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of June 30, 2026			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Inc.	Airoha Technology Corp.	Taiwan	Research, manufacturing and sales	$ 9,378,890	$ 9,378,890	111,235,745	66 %	$ 15,263,329	$ 1,628,148	$ 1,077,653	1
MediaTek Inc.	IC PLUS Corp.	Taiwan	Research, manufacturing and sales	$ 300,370	$ 300,370	13,125,454	14 %	$ 1,118,144	$ 36,407	$ (316)	1
MediaTek Inc.	HFI Innovation Inc.	Taiwan	Intellectual property right management	$ 2,249,832	$ 2,118,755	224,983,247	100 %	$ 1,873,622	$ (241,177)	$ (235,909)	1
MediaTek Inc.	Hsu-Yuan Investment Corp.	Taiwan	General investing	$ 6,000,000	$ 2,500,000	600,000,000	100 %	$ 5,967,079	$ 12,641	$ 12,794	1
MediaTek Inc.	MStar Co., Ltd.	Seychelles	General investing	$ 526,142	$ 526,142	13,350,000	100 %	$ 211,486	$ 5,628	$ 5,628	1
MediaTek Inc.	MediaTek Japan Inc.	Japan	Technical services	$ 38,558	$ 38,558	7,100	100 %	$ 54,070	$ 1,538	$ 1,538	1
MediaTek Inc.	MediaTek Korea Inc.	Korea	Research	$ 192,883	$ 192,883	200,000	100 %	$ 293,916	$ 37,253	$ 37,253	1
MediaTek Inc.	MediaTek Research UK Limited	United Kingdom	Research	$ 24,363	$ 24,363	280,000	100 %	$ 68,304	$ 1,892	$ 1,892	1
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Singapore	General investing	$ 23,989,873	$ 23,989,873	1,440,845,498	100 %	$ 223,377,188	$ 4,703,823	$ 4,703,823	1
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Singapore	Research, manufacturing and sales	$ 4,137,594	$ 4,137,594	187,513,879	100 %	$ 44,355,768	$ 19,276,400	$ 20,470,125	1
MediaTek Inc.	Spidcom Technologies	France	Intellectual property right management	$ -	$ 4,722	-	-	$ -	$ -	$ -	1 and 2
MediaTek Inc.	MediaTek Bangalore Private Limited	India	Research	$ 581,508	$ 581,508	1,999,999	100 %	$ 1,857,992	$ 655,127	$ 655,127	1
MediaTek Inc.	MediaTek Capital Co.	Taiwan	General investing	$ 19,364,634	$ 19,364,634	1,968,629,606	100 %	$ 13,324,872	$ 763,659	$ 537,631	1
MediaTek Inc.	Richtek Technology Corp.	Taiwan	Research, manufacturing and sales	$ 21,221,922	$ 21,221,922	148,482,806	100 %	$ 16,868,826	$ 1,522,967	$ 1,524,737	1
MediaTek Singapore Pte. Ltd.	MaiSys Design Technology SG Pte. Ltd.	Singapore	Research	USD 750	USD 750	750,001	100 %	USD 622	USD 8	-	1
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	Hong Kong	General investing	USD 507,100	USD 507,100	554,587,474	100 %	USD 609,094	USD 7,853	-	1
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	Cayman Islands	General investing	USD 2,660,900	USD 2,660,900	1,123,172,524	100 %	USD 6,983,661	USD 148,829	-	1
Digimoc Holdings Limited	Cloud Ranger Limited	Samoa	General investing	USD 57,662	USD 57,662	23,139,000	100 %	USD 55,390	USD 56	-	1
Digimoc Holdings Limited	Gold Rich International (Samoa) Limited	Samoa	General investing	USD 448,441	USD 448,441	4,290,000	100 %	USD 128,544	USD 2,751	-	1
Digimoc Holdings Limited	MediaTek India Technology Pvt. Ltd.	India	Research	USD 0	USD 0	1	0 %	USD 0	INR 543,889	-	1
Digimoc Holdings Limited	Intelligo Technology Inc.	Cayman Islands	Research, manufacturing and sales	USD 12,168	USD 12,168	6,506,162	14 %	USD 27,310	USD 10,961	-	-
Digimoc Holdings Limited	M.I.F. L.P.	Cayman Islands	General investing	USD 17,960	USD 10,500	-	30 %	USD 17,504	USD 7,279	-	3
Digimoc Holdings Limited	Core Evergreen Limited	Cayman Islands	General investing	USD 3,450	USD -	-	80 %	USD 3,248	USD (290)	-	-
MediaTek Capital Co.	Airoha Technology Corp.	Taiwan	Research, manufacturing and sales	$ 723,403	$ 723,403	6,000,000	4 %	$ 829,011	$ 1,628,148	-	1
MediaTek Capital Co.	Hsiang Fa Co.	Taiwan	General investing	$ 16,222,537	$ 16,222,537	309,609,489	100 %	$ 39,981,631	$ (293,315)	-	1
MediaTek Capital Co.	MediaTek Bangalore Private Limited	India	Research	$ 0	$ 0	1	0 %	$ 0	$ 655,127	-	1
MediaTek Capital Co.	Zilltek Technology Corp.	Taiwan	Research, manufacturing and sales	$ 1,770,600	$ 1,770,600	10,000,000	18 %	$ 2,053,960	$ 337,736	-	-
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	India	Research	INR 3,896,338	INR 3,896,338	5,499,999	100 %	INR 2,533,294	INR 543,889	-	1
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	United Arab Emirates	Technical services	USD 8,029	USD 14	29,050	100 %	USD 8,538	USD (5)	-	1
Gaintech Co. Limited	MediaTek Global Holdings Limited	United Kingdom	General investing	USD 3,824,118	USD 3,824,118	3,824,118,214	100 %	USD 4,301,004	USD 55,175	-	1
Gaintech Co. Limited	MediaTek China Limited	Hong Kong	General investing	USD 391,444	USD 391,444	3,044,078,500	100 %	USD 896,362	USD 21,514	-	1
Gaintech Co. Limited	Sigmastar Technology Inc.	Cayman Islands	General investing	USD 523	USD 523	1,511,579	100 %	USD 309,240	USD 14,126	-	1
Gaintech Co. Limited	MTK Wireless Limited	United Kingdom	Research	USD 166,574	USD 166,574	84,394,826	100 %	USD 430,299	USD 54,519	-	1

(To be continued)

(Continued)

MEDIATEK INC. AND SUBSIDIARIES
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEES IN MAINLAND CHINA)
For the six months ended June 30, 2026

Attachment 7

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

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of June 30, 2026			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
Gaintech Co. Limited	Nephos Cayman Co. Limited	Cayman Islands	General investing	USD 113,110	USD 113,110	113,110,426	100 %	USD 131	USD 766	-	1
Gaintech Co. Limited	Smarthead Limited	Seychelles	General investing	USD 700	USD 700	700,000	100 %	USD 1,892	USD 15	-	1
Gaintech Co. Limited	CMC Capital Investments, L.P.	Cayman Islands	General investing	USD 4,613	USD 4,613	-	67 %	USD 1,762	USD (42)	-	-
Gaintech Co. Limited	CSVI VENTURES, L.P.	Cayman Islands	General investing	USD 16,790	USD 19,093	-	43 %	USD 11,242	USD 5,939	-	-
Smarthead Limited	MoMAGIC Technologies Private Limited	India	Software development	USD 500	USD 500	2,385,927	23 %	USD 1,866	USD 83	-	-
MediaTek Wireless FZ-LLC	MLINK INVESTMENTS-FZCO	United Arab Emirates	General investing	AED 25,708	AED 25,708	500	100 %	AED 25,500	AED (167)	-	1
MLINK INVESTMENTS-FZCO	MediaTek Egypt	Egypt	Research	AED 7	AED 7	20	100 %	AED (157)	AED (167)	-	1
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	Hong Kong	General investing	USD 2,406,283	USD 2,406,283	2,383,399,545	100 %	USD 2,529,503	USD 50,829	-	1
MediaTek Global Holdings Limited	Digimoc Holdings Limited	British Virgin Islands	General investing	USD 1,322,981	USD 1,322,981	1,550,638,880	100 %	USD 1,291,100	USD 19,827	-	1
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	British Virgin Islands	General investing	USD 355,354	USD 355,354	12	100 %	USD 585,365	USD (28)	-	1
MTKC Global Holdings Co. Limited	LePower (HK) Limited	Hong Kong	General investing	USD 81,998	USD 81,998	85,050,000	100 %	USD 300,443	USD 300	-	1
MTKC Global Holdings Co. Limited	Amiti IV Quantum L.P.	United States	General investing	USD 2,000	USD 2,000	-	92 %	USD 6,231	USD (1)	-	-
Hsu Zhan (HK) Investment Limited	IStar Technology Ltd.	Cayman Islands	General investing	USD 120	USD 120	50,000	100 %	USD 109	USD (2)	-	1
MediaTek Investment HK Limited	Hsu Fa (Samoa) Investment Ltd.	Samoa	General investing	USD 543,969	USD 543,969	3,596,558,036	100 %	USD 609,021	USD 7,856	-	1
Gold Rich International (Samoa) Limited	Gold Rich International (HK) Limited	Hong Kong	General investing	USD 4,190	USD 4,190	4,190,000	100 %	USD 128,465	USD 2,751	-	1
MTK Wireless Limited	MediaTek Wireless Finland Oy	Finland	Research	GBP 28,012	GBP 28,012	1,000	100 %	GBP 39,205	GBP 1,264	-	1
MTK Wireless Limited	MStar France SAS	France	Research	GBP 22,406	GBP 22,406	458,900	100 %	GBP 4,190	GBP (24)	-	1
MTK Wireless Limited	MediaTek North America Inc.	United States	Sales support and marketing services	GBP 4,079	GBP 4,079	10,000	100 %	GBP 10,418	GBP 1,297	-	1
MTK Wireless Limited	MediaTek Poland sp. z o.o.	Poland	Technical services	GBP 604	GBP 604	100	100 %	GBP 791	GBP 36	-	1
MTK Wireless Limited	MediaTek Sweden AB	Sweden	Research	GBP 19,362	GBP 19,362	1,008,371	100 %	GBP 12,620	GBP 144	-	1
MTK Wireless Limited	MediaTek Technology USA Inc.	United States	Research	GBP 681	GBP 681	1,000	100 %	GBP 670	GBP 19	-	1
MTK Wireless Limited	MediaTek USA Inc.	United States	Research	GBP 38,800	GBP 38,800	111,815	100 %	GBP 243,129	GBP 37,174	-	1
MediaTek USA Inc.	Vidaxio LLC	United States	Intellectual property right management	USD -	USD -	34	34 %	USD (1)	USD -	-	-
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Germany	Technical services	EUR 500	EUR 500	500,000	100 %	EUR 1,498	EUR 133	-	1
Hsiang Fa Co.	Chingis Technology Corporation	Taiwan	Research	$ 137,932	$ 317,932	41,936,991	100 %	$ 137,792	$ (15,847)	-	1
Hsiang Fa Co.	MediaTek Research Corp.	Taiwan	Research	$ 800	$ 800	80,000	100 %	$ 16,405	$ 899	-	1
Hsiang Fa Co.	InnoFusion Technology Corp.	Taiwan	Technical services	$ -	$ 74,539	-	-	$ -	$ 4,458	-	1 and 4
Hsiang Fa Co.	Intelligo Technology Inc.	Cayman Islands	Research, manufacturing and sales	$ 474,950	$ 474,950	1,701,375	4 %	$ 574,232	$ 346,506	-	-
Hsiang Fa Co.	CMOS-Crystal TECHNOLOGY CO., LIMITED	Taiwan	Research	$ 18,189	$ 18,189	25,001	20 %	$ 15,064	$ (834)	-	-
Hsiang Fa Co.	AMobile Intelligent Corp. Limited	Hong Kong	Research, manufacturing and sales	$ 29,947	$ 138,207	322,913	31 %	$ 51,757	$ (15,928)	-	-
Hsiang Fa Co.	AMobile Solutions Corp.	Taiwan	Research, manufacturing and sales	$ 108,260	$ -	6,167,030	31 %	$ 94,708	$ 3,334	-	-
Richtek Technology Corp.	Richnex Microelectronics Corp.	Taiwan	Research, manufacturing and sales	$ 278,032	$ 278,032	26,963,153	82 %	$ 71,951	$ 4,299	-	1
Richtek Technology Corp.	Richtek Europe B.V.	Netherlands	Sales support and marketing services	$ 25,348	$ 25,348	1,500,000	100 %	$ 47,071	$ 379	-	1
Richtek Technology Corp.	Richtek Japan Inc.	Japan	Research and technical services	$ 41,893	$ 41,893	1,900	100 %	$ 49,692	$ 2,927	-	1

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

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

For the six months ended June 30, 2026

Attachment 7

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

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of June 30, 2026			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
Richtek Technology Corp.	Richtek Korea LLC.	Korea	Research and technical services	$ 26,696	$ 26,696	10,000	100 %	$ 59,346	$ 4,926	-	1
Richtek Technology Corp.	Richtek USA, Inc.	United States	Research and technical services	$ 133,470	$ 133,470	1,000,000	100 %	$ 325,845	$ 14,871	-	1
Airoha Technology Corp.	IC PLUS Corp.	Taiwan	Research, manufacturing and sales	$ 1,947,085	$ 1,947,085	28,213,800	29 %	$ 1,926,870	$ 36,407	-	1
Airoha Technology Corp.	Airoha Technology India Private Limited	India	Research	$ 37,312	$ 37,312	9,500,000	100 %	$ 57,301	$ 8,384	-	1
Airoha Technology Corp.	Airoha Technology USA Inc.	United States	Research	$ 12,563	$ 12,563	10,000	100 %	$ 29,540	$ 3,166	-	1
Airoha Technology Corp.	Airoha Technology (HK) Limited	Hong Kong	General investing	$ 2,002,463	$ 1,734,341	40,199,433	100 %	$ 4,171,167	$ 452,383	-	1
Airoha Technology Corp.	Shadow Investment Limited	Samoa	General investing	$ -	$ -	12,360,000	100 %	$ 1,057	$ (8)	-	1
Airoha Technology Corp.	Airoha (Cayman) Inc.	Cayman Islands	General investing	$ 55,183	$ 55,183	4,253,337	100 %	$ 282,246	$ 25,618	-	1
Airoha Technology Corp.	ASIX Electronics Corporation	Taiwan	Research, manufacturing and sales	$ 495,875	$ 495,875	12,396,396	20 %	$ 551,752	$ 123,936	-	-
Airoha Technology Corp.	Gear Radio Limited	Samoa	General investing	$ 137,423	$ 137,423	9,000,000	19 %	$ 135,577	$ (19,364)	-	-
Airoha Technology (Suzhou) Limited	EcoNet Limited	British Virgin Islands	General investing	CNY 2,640	CNY 2,640	400,000	100 %	CNY 36,438	CNY 670	-	1
Airoha (Cayman) Inc.	Airoha Technology India Private Limited	India	Research	USD 0	USD 0	95	0 %	USD 0	USD 266	-	1

Note 1: Investee is a subsidiary in consolidated group.

Note 2: For the purpose of reorganization, Spidcom Technologies has been liquidated in May 2026.

Note 3: During the six months ended June30, 2026, Digimoc Holdings Limited paid an investment amount of US$7,460 thousand to M.I.F.L.P.

Note 4: For the purpose of reorganization, Innofusion Technology Corp. was dissolved due to merger into Hsiang Fa Co. on June 30, 2026.

MEDIATEK INC. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the six months ended June 30, 2026

Attachment 8

(Amounts in Thousands of New Taiwan Dollars)

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 3. B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment From Taiwan as of June 30, 2026	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of June 30, 2026	Accumulated Inward Remittance of Earnings as of June 30, 2026
					Outflow	Inflow						
Zelus (Shenzhen) Technology Ltd.	Research and sales	$ 164,378 USD 5,150	Gaintech Co. Limited	$ 166,204 USD 5,207	- -	- -	$ 166,204 USD 5,207	$ 39,515 USD 1,250	88%	$ 34,872 USD 1,103	$ 229,661 USD 7,195	- -
MediaTek Communication (Hefei) Co., Ltd.	Research, manufacturing and sales	$ 1,316,618 USD 41,250	Nephos Cayman Co. Limited	$ 3,640,255 USD 114,050	- -	- -	$ 3,640,255 USD 114,050	$ 23,268 USD 736	100%	$ 23,268 USD 736	$ (51,515) USD (1,614)	- -
MediaTek (Hefei) Inc.	Research	$ 542,606 USD 17,000	MediaTek China Limited	$ 542,606 USD 17,000	- -	- -	$ 542,606 USD 17,000	$ 112,445 USD 3,557	100%	$ 112,445 USD 3,557	$ 1,640,778 USD 51,406	- -
MediaTek (Beijing) Inc.	Research	$ 3,191,800 USD 100,000	MediaTek China Limited	$ 3,191,800 USD 100,000	- -	- -	$ 3,191,800 USD 100,000	$ 213,369 USD 6,749	100%	$ 213,369 USD 6,749	$ 6,144,111 USD 192,497	- -
MediaTek (Shenzhen) Inc.	Research	$ 2,872,620 USD 90,000	MediaTek China Limited	$ 2,872,620 USD 90,000	- -	- -	$ 2,872,620 USD 90,000	$ 270,046 USD 8,542	100%	$ 270,046 USD 8,542	$ 11,072,882 USD 346,917	- -
MediaTek (Chengdu) Inc.	Research	$ 1,589,516 USD 49,800	MediaTek China Limited	$ 1,589,516 USD 49,800	- -	- -	$ 1,589,516 USD 49,800	$ 78,989 USD 2,499	100%	$ 78,989 USD 2,499	$ 2,339,289 USD 73,291	- -
MediaTek (Wuhan) Inc.	Research	$ 772,416 USD 24,200	MediaTek China Limited	$ 530,058 USD 16,607	- -	- -	$ 530,058 USD 16,607	$ 27,953 USD 884	100%	$ 27,953 USD 884	$ 1,031,261 USD 32,310	- -
MediaTek (Shanghai) Inc.	Research	$ 1,397,394 CNY 297,000	MediaTek China Limited	$ 1,547,041 USD 48,469	- -	- -	$ 1,547,041 USD 48,469	$ 59,135 USD 1,871	100%	$ 59,135 USD 1,871	$ 3,091,458 USD 96,856	- -
Xuxin Investment (Shanghai) Inc.	General investing	$ 2,247,027 USD 70,400	MediaTek China Limited	$ 2,247,027 USD 70,400	- -	- -	$ 2,247,027 USD 70,400	$ (27,968) USD (885)	100%	$ (27,968) USD (885)	$ 4,409,306 USD 138,145	- -
Xuxi (Shanghai) Management Consulting Co., Ltd.	General investing	$ 2,282,410 CNY 485,100	Xuxin Investment (Shanghai) Inc.	$ 2,201,066 USD 68,960	- -	- -	$ 2,201,066 USD 68,960	$ (27,599) CNY (5,992)	100%	$ (27,599) CNY (5,992)	$ 3,965,200 CNY 842,758	- -
Hefei Xuhui Management Consulting Co., Ltd.	General investing	$ 2,281,940 CNY 485,000	Xuxi (Shanghai) Management Consulting Co., Ltd.	$ 2,200,625 USD 68,946	- -	- -	$ 2,200,625 USD 68,946	$ (27,549) CNY (5,981)	100%	$ (27,549) CNY (5,981)	$ 3,541,270 CNY 752,656	- -
MStar Software R&D (Shenzhen), Ltd.	Technical services	$ 957,540 USD 30,000	MStar Co., Ltd.	$ 957,540 USD 30,000	- -	- -	$ 957,540 USD 30,000	$ 2,887 USD 91	100%	$ 2,887 USD 91	$ 574,844 USD 18,010	- -
Vanchip (Tianjin) Technology Co., Ltd.	Research, manufacturing and sales	$ 2,007,622 CNY 426,697	Gaintech Co. Limited	$ 1,276,720 USD 40,000	- -	- -	$ 1,276,720 USD 40,000	$ (306,920) USD (9,709)	24%	$ (62,217) USD (1,968)	$ 4,782,613 USD 149,841	- -
SigmaStar Technology Ltd.	Research, manufacturing and sales	$ 1,975,973 CNY 419,970	Sigmastar Technology Inc.	$ 63,836 USD 2,000	- -	- -	$ 63,836 USD 2,000	$ 1,449,620 USD 45,855	29%	$ 509,393 USD 16,113	$ 10,588,009 USD 331,725	- -
Shanghai KQC Financial Management	General investing	$ 155,266 CNY 33,000	Xuxin Investment (Shanghai) Inc.	$ 31,179 USD 977	- -	- -	$ 31,179 USD 977	$ (0) CNY (0)	20%	$ (0) CNY (0)	$ 31,052 CNY 6,600	- -
Li-We Technology Corp.	Technical services	$ 79,795 USD 2,500	Richtek Technology Corp.	$ 79,795 USD 2,500	- -	- -	$ 79,795 USD 2,500	$ 9,302	100%	$ 9,302	$ 116,493	- -
Richpower Microelectronics Co., Ltd.	Technical services	$ 102,138 USD 3,200	Richtek Technology Corp.	$ 102,138 USD 3,200	- -	- -	$ 102,138 USD 3,200	$ 5,111	100%	$ 5,111	$ 51,230	- -
Airoha Technology (Suzhou) Limited	Research, manufacturing and sales	$ 319,180 USD 10,000	Airoha Technology (HK) Limited	$ 319,180 USD 10,000	- -	- -	$ 319,180 USD 10,000	$ 450,338 USD 14,245	70%	$ 315,191 USD 9,970	$ 3,876,119 USD 121,440	$ 7,349,272 USD 230,255

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the six months ended June 30, 2026

Attachment 8

(Amounts in Thousands of New Taiwan Dollars)

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 3. B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2026	Investment Flows		Accumulated Outflow of Investment From Taiwan as of June 30, 2026	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of June 30, 2026	Accumulated Inward Remittance of Earnings as of June 30, 2026
					Outflow	Inflow						
Airotek (Shenzhen) Inc.	Research and technical services	$ 30,322 USD 950	Airoha (Cayman) Inc.	$ 30,322 USD 950	-	-	$ 30,322 USD 950	$ 11,259 USD 356	70%	$ 7,880 USD 249	$ 125,441 USD 3,930	- -
Airotek (Chengdu) Inc.	Research	$ 30,322 USD 950	Airoha (Cayman) Inc.	$ 30,322 USD 950	-	-	$ 30,322 USD 950	$ 14,145 USD 447	70%	$ 9,900 USD 313	$ 142,614 USD 4,468	- -

Accumulated Investment in Mainland China as of June 30, 2026	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$23,619,850 USD740,016	$30,012,445 USD940,298	$254,514,142

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

Note 2: Recognized in financial statements audited by the auditors of the parent company in Taiwan.

Note 3: 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 4: 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 = 31.61293 NTD; 1 CNY = 4.60625 NTD).
Other amounts are converted by the exchange rate at reporting date. (1 USD = 31.918 NTD; 1 CNY = 4.70503 NTD)

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

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED

DECEMBER 31, 2025 AND 2024

Notice to Readers

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

REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2025 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as "Combined Financial Statements"). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

Very truly yours,

MediaTek Inc.

Chairman: Ming-Kai Tsai

February 26, 2026

安永聯合會計師事務所

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English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To the Board of Directors and Shareholders
of MediaTek Inc.

Opinion

We have audited the accompanying consolidated balance sheets of MediaTek Inc. and its subsidiaries as of December 31, 2025 and 2024, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MediaTek Inc. and its subsidiaries as of December 31, 2025 and 2024, and their consolidated financial performance and cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation 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 Consolidated Financial Statements section of our report. We are independent of MediaTek Inc. and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2025 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

MediaTek Inc. and its subsidiaries recognized NT$595,965,682 thousand as net sales, which includes sale of goods in the amount of NT$585,345,737 thousand and services and other operating revenues in the amount of NT$10,619,945 thousand for the year ended December 31, 2025. Main source of revenue comes from sales of chips. Due to the fact that the product portfolio and the pricing methods are varied and sales discounts are usually directly included or indirectly implied in purchase orders or in practice, it is necessary for the Company to judge and determine the performance obligation of a contract, the timing of its satisfaction, and the estimate of the variable considerations. As a result, we determined the matter to be a key audit matter.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of MediaTek Inc. and its subsidiaries.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of MediaTek Inc. and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause MediaTek Inc. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within MediaTek Inc. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2025 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of MediaTek Inc. as of and for the years ended December 31, 2025 and 2024.

Hsu, Hsin-Min

Hu, Shen-Chieh

Ernst & Young, Taiwan
February 26, 2026

Notice to Readers

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

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2025	%	December 31, 2024	%
Current assets					
Cash and cash equivalents	4, 6(1)	$ 235,290,082	32	$ 203,695,892	29
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	1,837,821	-	5,271,003	1
Financial assets at fair value through other comprehensive income-current	4, 5, 6(3)	6,378,814	1	6,266,087	1
Financial assets measured at amortized cost-current	4, 6(4)	4,202,385	1	4,390,824	1
Trade receivables, net	4, 6(5), 6(6)	62,056,117	8	43,944,786	6
Trade receivables from related parties, net	4, 6(5), 6(6), 7	62,703	-	40,666	-
Finance lease receivables, net	4, 6(6), 6(12)	2,130	-	727,892	-
Other receivables	6(7), 7	6,476,022	1	7,056,968	1
Current tax assets	4, 5, 6(30)	1,782,046	-	1,574,062	-
Inventories	4, 5, 6(8)	67,234,559	9	58,414,245	8
Prepayments	6(9), 7, 9	10,823,016	1	15,865,797	2
Other current assets	9	1,310,496	-	3,777,240	1
Total current assets		397,456,191	53	351,025,462	50
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	3,577,731	-	4,528,285	1
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	64,383,526	9	74,233,421	11
Financial assets measured at amortized cost-noncurrent	4, 6(4), 8	81,012,036	11	72,942,395	11
Investments accounted for using the equity method	4, 6(10)	19,938,312	3	18,266,368	3
Property, plant and equipment	4, 6(11), 8	60,427,356	8	56,917,043	8
Right-of-use assets	4, 6(12)	8,652,450	1	8,918,559	1
Investment property, net	4, 6(13), 8	2,589,782	-	2,554,285	-
Intangible assets	4, 6(14), 6(15), 7	80,261,705	11	82,257,042	12
Deferred tax assets	4, 5, 6(30)	19,556,960	3	14,390,228	2
Refundable deposits	9	5,341,870	1	2,555,165	-
Long-term finance lease receivables, net	4, 6(6), 6(12)	6,979	-	-	-
Net defined benefit assets-noncurrent	4, 6(19)	52,935	-	40,679	-
Other non-current assets-others	9	526,972	-	9,238,598	1
Total non-current assets		346,328,614	47	346,842,068	50
Total assets		$ 743,784,805	100	$ 697,867,530	100

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2025	%	December 31, 2024	%
Current liabilities					
Short-term borrowings	6(16)	$ 940,000	-	$ 940,000	-
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	3,313	-	4,229	-
Contract liabilities-current	4, 5, 6(23), 7	7,298,470	1	4,318,428	1
Trade payables		46,169,969	6	38,735,333	5
Trade payables to related parties	7	2,539,929	-	2,041,173	-
Other payables	6(17)	107,468,066	15	110,342,579	16
Other payables to related parties	7	347,123	-	61,710	-
Current tax liabilities	4, 5, 6(30)	29,630,928	4	13,059,756	2
Lease liabilities-current	4, 6(12)	1,024,052	-	995,267	-
Current portion of long-term liabilities		3,540,763	-	7,979,049	1
Other current liabilities	4, 5, 6(18), 7	104,387,195	14	88,424,802	13
Total current liabilities		303,349,808	40	266,902,326	38
Non-current liabilities					
Long-term borrowings	8	60,000	-	-	-
Long-term payables		6,735,495	1	2,681,442	-
Net defined benefit liabilities-noncurrent	4, 6(19)	462,915	-	534,237	-
Deposits received	7	277,575	-	196,400	-
Deferred tax liabilities	4, 5, 6(30)	11,205,646	2	10,556,716	2
Lease liabilities-noncurrent	4, 6(12)	8,165,194	1	8,375,041	1
Other non-current liabilities-others	4, 6(20), 9	4,333,151	1	3,566,021	1
Total non-current liabilities		31,239,976	5	25,909,857	4
Total liabilities		334,589,784	45	292,812,183	42
Equity attributable to owners of the parent					
Share capital	6(21)				
Common stock		16,039,122	2	16,016,880	2
Capital surplus	6(21), 6(22)	34,599,724	5	31,636,053	5
Retained earnings	6(21)				
Legal reserve		100,019,777	13	89,308,524	13
Undistributed earnings		219,519,259	30	210,598,743	30
Other equity	6(22)	30,479,076	4	49,122,847	7
Treasury shares	4, 6(21)	(55,970)	-	(55,970)	-
Equity attributable to owners of the parent		400,600,988	54	396,627,077	57
Non-controlling interests	4, 6(21)	8,594,033	1	8,428,270	1
Total equity		409,195,021	55	405,055,347	58
Total liabilities and equity		$ 743,784,805	100	$ 697,867,530	100

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2025 and 2024

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

Description	Notes	2025	%	2024	%
Net sales	4, 5, 6(23), 7	$ 595,965,682	100	$ 530,585,886	100
Operating costs	4, 5, 6(8), 6(24), 7	(312,885,741)	(53)	(267,200,185)	(50)
Gross profit		283,079,941	47	263,385,701	50
Operating expenses	6(6), 6(12), 6(24), 7				
Selling expenses		(20,447,681)	(3)	(17,089,713)	(4)
Administrative expenses		(10,856,762)	(2)	(11,946,997)	(2)
Research and development expenses		(148,306,389)	(25)	(131,993,135)	(25)
Expected credit impairment gains		586	-	56,111	-
Total operating expenses		(179,610,246)	(30)	(160,973,734)	(31)
Operating income		103,469,695	17	102,411,967	19
Non-operating income and expenses					
Interest income	4, 6(25)	10,819,306	2	11,149,734	2
Other income	4, 6(26), 7	5,944,689	1	3,934,113	1
Other gains and losses	4, 6(27)	4,521,114	1	1,959,681	-
Finance costs	6(28)	(652,032)	-	(453,291)	-
Share of profit of associates and joint ventures accounted for using the equity method	4, 6(10)	785,029	-	516,576	-
Total non-operating income and expenses		21,418,106	4	17,106,813	3
Net income before income tax		124,887,801	21	119,518,780	22
Income tax expense	4, 5, 6(30)	(18,770,226)	(3)	(12,378,157)	(2)
Net income		106,117,575	18	107,140,623	20
Other comprehensive income	4, 6(10), 6(19), 6(21), 6(29), 6(30)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plan		1,286	-	84,794	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(8,244,552)	(1)	(2,088,221)	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		55,558	-	(718)	-
Income tax relating to those items not to be reclassified to profit or loss		(100,732)	-	150,917	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(9,825,978)	(2)	17,212,011	3
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		8,658	-	14,028	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		336,268	-	(177,166)	-
Other comprehensive income, net of tax		(17,769,492)	(3)	15,195,645	3
Total comprehensive income		$ 88,348,083	15	$ 122,336,268	23
Net income for the periods attributable to :					
Owners of the parent	6(31)	$ 105,319,255		$ 106,386,578	
Non-controlling interests	6(21)	798,320		754,045	
		$ 106,117,575		$ 107,140,623	
Total comprehensive income for the periods attributable to :					
Owners of the parent		$ 87,554,841		$ 121,555,605	
Non-controlling interests		793,242		780,663	
		$ 88,348,083		$ 122,336,268	
Earnings Per Share :	6(31)				
Basic Earnings Per Share (in New Taiwan Dollars)		$ 66.16		$ 66.92	
Diluted Earnings Per Share (in New Taiwan Dollars)		$ 66.03		$ 66.78	

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent									Non-controlling interests	Total equity
	Share capital		Retained earnings		Other equity			Treasury shares	Equity attributable to owners of the parent		
	Common stock	Capital surplus	Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others				
Balance as of January 1, 2024	$ 15,996,475	$ 28,350,438	$ 75,782,948	$ 212,669,736	$ 6,108,654	$ 29,887,085	$ (533,584)	$ (55,970)	$ 368,205,782	$ 5,999,576	$ 374,205,358
Distribution of earnings:											
Legal reserve	-	-	13,525,576	(13,525,576)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(95,077,504)	-	-	-	-	(95,077,504)	-	(95,077,504)
Total	-	-	13,525,576	(108,603,080)	-	-	-	-	(95,077,504)	-	(95,077,504)
Profit for the year ended December 31, 2024	-	-	-	106,386,578	-	-	-	-	106,386,578	754,045	107,140,623
Other comprehensive income for the year ended December 31, 2024	-	-	-	68,416	17,005,504	(1,904,893)	-	-	15,169,027	26,618	15,195,645
Total comprehensive income	-	-	-	106,454,994	17,005,504	(1,904,893)	-	-	121,555,605	780,663	122,336,268
Adjustments due to dividends that subsidiaries received from parent company	-	428,674	-	-	-	-	-	-	428,674	-	428,674
Changes in associates and joint ventures accounted for using the equity method	-	327,309	-	-	-	-	-	-	327,309	916	328,225
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	(177,867)	-	-	-	-	-	-	(177,867)	(43,661)	(221,528)
Changes in ownership interests in subsidiaries	-	112,798	-	-	-	-	-	-	112,798	(73,469)	39,329
Issuance of restricted stock for employees	20,405	2,585,863	-	22,840	-	-	(1,385,666)	-	1,243,442	-	1,243,442
Changes in other capital surplus	-	8,838	-	-	-	-	-	-	8,838	-	8,838
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	54,253	-	(54,253)	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	1,764,245	1,764,245
Balance as of December 31, 2024	16,016,880	31,636,053	89,308,524	210,598,743	23,114,158	27,927,939	(1,919,250)	(55,970)	396,627,077	8,428,270	405,055,347
Distribution of earnings:											
Legal reserve	-	-	10,711,253	(10,711,253)	-	-	-	-	-	-	-
Cash dividends	-	-	-	(86,554,948)	-	-	-	-	(86,554,948)	-	(86,554,948)
Total	-	-	10,711,253	(97,266,201)	-	-	-	-	(86,554,948)	-	(86,554,948)
Profit for the year ended December 31, 2025	-	-	-	105,319,255	-	-	-	-	105,319,255	798,320	106,117,575
Other comprehensive income for the year ended December 31, 2025	-	-	-	285	(9,496,005)	(8,268,694)	-	-	(17,764,414)	(5,078)	(17,769,492)
Total comprehensive income	-	-	-	105,319,540	(9,496,005)	(8,268,694)	-	-	87,554,841	793,242	88,348,083
Adjustments due to dividends that subsidiaries received from parent company	-	420,882	-	-	-	-	-	-	420,882	-	420,882
Changes in associates and joint ventures accounted for using the equity method	-	333,727	-	-	-	-	-	-	333,727	876	334,603
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	178	-	-	-	-	-	-	178	-	178
Issuance of restricted stock for employees	22,242	2,166,293	-	1,996	-	-	(13,891)	-	2,176,640	-	2,176,640
Changes in other capital surplus	-	42,591	-	-	-	-	-	-	42,591	-	42,591
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	865,181	-	(865,181)	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	(628,355)	(628,355)
Balance as of December 31, 2025	$ 16,039,122	$ 34,599,724	$ 100,019,777	$ 219,519,259	$ 13,618,153	$ 18,794,064	$ (1,933,141)	$ (55,970)	$ 400,600,988	$ 8,594,033	$ 409,195,021

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Description	2025	2024
Cash flows from operating activities :		
Profit from continuing operations before tax	$ 124,887,801	$ 119,518,780
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation expenses	13,335,843	12,560,224
Amortization expenses	9,638,513	8,375,769
Expected credit impairment gains	(586)	(56,111)
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	12,848	(786,901)
Interest expenses	652,032	453,291
Net losses arising from derecognition of financial assets measured at amortized cost	-	31,165
Interest income	(10,819,306)	(11,149,734)
Dividend income	(5,208,705)	(3,421,872)
Share-based payment expenses	2,173,895	1,216,286
Share of profit of associates and joint ventures accounted for using the equity method	(785,029)	(516,576)
(Gains) losses on disposal of property, plant and equipment	(20,190)	3,813
Property, plant and equipment transferred to expenses	566	-
Losses on disposal of investments	11,662	-
Losses (gains) on disposal of investments accounted for using the equity method	89	(1,007,936)
Impairment loss on non-financial assets	-	74,233
Other adjustments	8,047	64
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	4,520,065	2,147,889
Notes receivable	-	3,142
Trade receivables	(18,843,845)	12,314,417
Trade receivables from related parties	(22,037)	12,796
Other receivables	(220,410)	1,275,372
Inventories	(8,575,594)	(15,291,975)
Prepayments	10,209,459	(324,265)
Other current assets	1,909,688	(815,312)
Other non-current assets-others	2,504,242	8,335,323
Contract liabilities	2,980,042	929,217
Trade payables	7,434,636	1,839,351
Trade payables to related parties	498,756	121,521
Other payables	1,267,739	11,394,238
Other payables to related parties	24,733	28,119
Other current liabilities	17,268,544	11,747,867
Net defined benefit liabilities	(82,292)	(16,153)
Other non-current liabilities-others	(931,732)	(1,953,421)
Cash inflows generated from operations	153,829,474	157,042,621
Interest received	11,114,337	9,391,270
Dividends received	5,584,608	3,534,226
Interest paid	(709,800)	(567,162)
Income tax paid	(7,025,747)	(13,346,348)
Net cash flows from operating activities	162,792,872	156,054,607
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(3,344,350)	(3,802,236)
Proceeds from disposal of financial assets at fair value through other comprehensive income	2,801,014	3,868,758
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	474,032	216,705
Acquisition of financial assets measured at amortized cost	(21,227,227)	(25,728,091)
Proceeds from repayments of financial assets measured at amortized cost	11,534,576	10,748,222
Acquisition of investments accounted for using the equity method	(909,303)	-
Proceeds from disposal of investments accounted for using the equity method	-	25,997
Net cash flows from acquisition of subsidiaries	(232,431)	219,037
Proceeds from capital reduction of investments accounted for using the equity method	22,685	-
Acquisition of property, plant and equipment	(15,059,115)	(13,786,506)
Proceeds from disposal of property, plant and equipment	49,921	15,770
(Increase) decrease in refundable deposits	(2,229,649)	293,039
Acquisition of intangible assets	(10,360,474)	(8,726,280)
Acquisition of investment property	(1,920)	-
Decrease in finance lease receivables	728,273	727,892
Net cash flows used in investing activities	(37,753,968)	(35,927,693)
Cash flows from financing activities :		
Decrease in short-term borrowings	-	(1,260,000)
Proceeds from long-term borrowings	60,000	-
Increase (decrease) in deposits received	81,175	(16,003)
Payments of lease liabilities	(1,162,690)	(901,987)
Cash dividends paid	(86,069,629)	(87,550,792)
Acquisition of ownership interests in subsidiaries	-	(221,528)
Changes in non-controlling interests	(628,372)	(204,440)
Other financing activities	44,765	35,374
Net cash flows used in financing activities	(87,674,751)	(90,119,376)
Effect of exchange rate changes on cash and cash equivalents	(5,769,963)	8,292,344
Net increase in cash and cash equivalents	31,594,190	38,299,882
Cash and cash equivalents at the beginning of the year	203,695,892	165,396,010
Cash and cash equivalents at the end of the year	$ 235,290,082	$ 203,695,892

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

MEDIATEK INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

1. Organization and Operation

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

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

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on February 26, 2026.

3. Newly Issued or Revised Standards and Interpretations

(1) Changes in accounting policies resulting from the initial application of certain standards and amendments

MTK and its subsidiaries ("the Company") adopted International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs Accounting Standards"), which were endorsed by Financial Supervisory Commission ("FSC") and became effective for annual periods beginning on or after January 1, 2025. 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 date when the Company's financial statements were authorized for issue are listed below:

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Date issued by IASB
IFRS 17	"Insurance Contracts"	January 1, 2023
IFRS 9 and IFRS 7	"Financial Instruments" and "Financial Instruments: Disclosures" - Classification and Measurement (Amendment)	January 1, 2026
Annual Improvements to IFRSs Accounting Standards – Volume 11:		
IFRS 1	"First-time Adoption of International Financial Reporting Standards"	January 1, 2026
IFRS 7	"Financial Instruments: Disclosures"	January 1, 2026
IFRS 9	"Financial Instruments"	January 1, 2026
IFRS 10	"Consolidated Financial Statements"	January 1, 2026
IAS 7	"Statement of Cash Flows"	January 1, 2026
IFRS 9 and IFRS 7	"Financial Instruments" and "Financial Instruments: Disclosures" – Contracts Referencing Nature-dependent Electricity (Amendment)	January 1, 2026

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, 2026. 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 date when the Company's financial statements were authorized for issue are listed below:

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Date issued by IASB
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 18	"Presentation and Disclosure in Financial Statements"	January 1, 2027 (Note)
IFRS 19	"Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
IAS 21 and IAS 29	"The Effects of Changes in Foreign Exchange Rates" and "Financial Reporting in Hyperinflationary Economies"– Translation to a Hyperinflationary Presentation Currency (Amendment)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

The abovementioned standards and interpretations issued by IASB have not yet been endorsed 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 new or amended standards and interpretations of IFRS 10 and IAS 28 "Consolidated Financial Statements" and "Investments in Associates and Joint Ventures" (Amendment), and IFRS 18 "Presentation and Disclosure in Financial Statements". All other standards and interpretations have no material impact on the Company.

4. Summary of Material Accounting Policies

Statement of Compliance

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

Basis of Preparation

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

Basis of Consolidation

Preparation principle of consolidated financial statements

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

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

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

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

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

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

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

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

If loses control of a subsidiary, it:
(1) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(2) derecognizes the carrying amount of any non-controlling interest;
(3) recognizes the fair value of the consideration received;
(4) recognizes the fair value of any investment retained;
(5) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfers directly to retained earnings if required by other IFRSs; and
(6) recognizes any resulting differences in profit or loss.

The consolidated entities are listed as follows:

			Percentage of Ownership		
Investor	Subsidiary	Business nature	December 31, 2025	December 31, 2024	Note
MTK	Hsu-Ta Investment Corp.	General investing	-	-	1
MTK	MediaTek Singapore Pte. Ltd.	Research, manufacturing and sales	100%	100%	-
MTK	MediaTek Investment Singapore Pte. Ltd.	General investing	100%	100%	-
MTK	HFI Innovation Inc.	Intellectual property right management	100%	100%	-
MTK	MStar Co., Ltd.	General investing	100%	100%	-
MTK	Spidcom Technologies	Intellectual property right management	100%	100%	-
MTK	Richtek Technology Corp.	Research, manufacturing and sales	100%	100%	-
MTK	MediaTek Capital Co.	General investing	100%	100%	-
MTK	Airoha Technology Corp.	Research, manufacturing and sales	66%	66%	-
MTK	Hsu-Yuan Investment Corp.	General investing	100%	100%	-
MTK	MediaTek Research UK Limited	Research	100%	100%	-
MTK	MediaTek Bangalore Private Limited	Research	100%	100%	-
MTK	MediaTek Japan Inc.	Technical services	100%	100%	2
MTK	MediaTek Korea Inc.	Research	100%	100%	3
MTK	IC PLUS Corp.	Research, manufacturing and sales	14%	14%	4
Hsu-Ta Investment Corp.	Hsiang Fa Co.	General investing	-	-	1
Hsu-Ta Investment Corp.	MediaTek Bangalore Private Limited	Research	-	-	1
Hsu-Ta Investment Corp.	Airoha Technology Corp.	Research, manufacturing and sales	-	-	1、5
Hsiang Fa Co.	Chingis Technology Corporation	Research	100%	100%	-
Hsiang Fa Co.	MediaTek Research Corp.	Research	100%	100%	-

(To be continued)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership December 31, 2025	Percentage of Ownership December 31, 2024	Note
Hsiang Fa Co.	InnoFusion Technology Corp.	Technical services	100%	100%	-
MediaTek Singapore Pte. Ltd.	MaiSys Design Technology SG Pte. Ltd.	Research	100%	100%	6
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	General investing	100%	100%	-
Core Tech Resources Inc.	MediaTek India Technology Pvt. Ltd.	Research	-	-	7
Richtek Technology Corp.	Richtek Europe Holding B.V.	General investing	-	100%	8
Richtek Technology Corp.	Richtek Holding International Limited	General investing	-	100%	9
Richtek Technology Corp.	Richnex Microelectronics Corp.	Research, manufacturing and sales	82%	82%	-
Richtek Technology Corp.	Richtek Korea LLC.	Research and technical services	100%	100%	-
Richtek Technology Corp.	Richtek USA, Inc.	Research and technical services	100%	100%	-
Richtek Technology Corp.	Richpower Microelectronics Co., Ltd.	Technical services	100%	100%	-
Richtek Technology Corp.	Li-We Technology Corp.	Technical services	100%	100%	-
Richtek Technology Corp.	Richtek Japan Inc.	Research and technical services	100%	100%	-
Richtek Technology Corp.	Richtek Europe B.V.	Sales support and marketing services	100%	100%	10
Richtek Europe Holding B.V.	Richtek Europe B.V.	Sales support and marketing services	-	-	10
Airoha (Cayman) Inc.	Airotek (Shenzhen) Inc.	Research and technical services	100%	100%	-

(To be continued)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership December 31, 2025	Percentage of Ownership December 31, 2024	Note
Airoha (Cayman) Inc.	Airotek (Chengdu) Inc.	Research	100%	100%	-
Airoha (Cayman) Inc.	Airoha Technology India Private Limited	Research	0%	0%	-
Airoha Technology Corp.	Airoha (Cayman) Inc.	General investing	100%	100%	-
Airoha Technology Corp.	Shadow Investment Limited	General investing	100%	100%	-
Airoha Technology Corp.	Airoha Technology (HK) Limited	General investing, research, manufacturing and sales	100%	100%	-
Airoha Technology Corp.	Airoha Technology USA Inc.	Research	100%	100%	-
Airoha Technology Corp.	Airoha Technology India Private Limited	Research	100%	100%	-
Airoha Technology Corp.	IC PLUS Corp.	Research, manufacturing and sales	29%	29%	4
Gaintech Co. Limited	MediaTek China Limited	General investing	100%	100%	-
Gaintech Co. Limited	MTK Wireless Limited	Research	100%	100%	-
Gaintech Co. Limited	MediaTek Japan Inc.	Technical services	-	-	2
Gaintech Co. Limited	MediaTek Korea Inc.	Research	-	-	3
Gaintech Co. Limited	Smarthead Limited	General investing	100%	100%	-
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Technical services	100%	100%	-
Gaintech Co. Limited	Nephos Cayman Co. Limited	General investing	100%	100%	-
Gaintech Co. Limited	Zelus (Shenzhen) Technology Ltd.	Research and sales	88%	88%	-
Gaintech Co. Limited	Sigmastar Technology Inc.	General investing	100%	100%	-

(To be continued)

Investor	Subsidiary	Business nature	Percentage of Ownership December 31, 2025	Percentage of Ownership December 31, 2024	Note
Gaintech Co. Limited	MediaTek Global Holdings Limited	General investing	100%	100%	-
Gaintech Co. Limited	Core Tech Resources Inc.	General investing	-	-	7
MediaTek China Limited	MediaTek (Hefei) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Beijing) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Shenzhen) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Chengdu) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Wuhan) Inc.	Research	100%	100%	-
MediaTek China Limited	Xuxin Investment (Shanghai) Inc.	General investing	100%	100%	-
MediaTek China Limited	MediaTek (Shanghai) Inc.	Research	100%	100%	-
MTK Wireless Limited	MediaTek Sweden AB	Research	100%	100%	-
MTK Wireless Limited	MediaTek USA Inc.	Research	100%	100%	-
MTK Wireless Limited	MediaTek Wireless Finland Oy	Research	100%	100%	-
MTK Wireless Limited	MStar France SAS	Research	100%	100%	-
MTK Wireless Limited	MediaTek North America Inc.	Sales support and marketing services	100%	100%	-
MTK Wireless Limited	MediaTek Poland sp. z o.o.	Technical services	100%	100%	-
MTK Wireless Limited	MediaTek Technology USA Inc.	Research	100%	100%	-
Gold Rich International (Samoa) Limited	Gold Rich International (HK) Limited	General investing	100%	100%	-
Airoha Technology (HK) Limited	Airoha Technology (Suzhou) Limited	Research, manufacturing and sales	100%	100%	-
Airoha Technology (Suzhou) Limited	EcoNet Limited	General investing	100%	100%	-

(To be continued)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership December 31, 2025	Percentage of Ownership December 31, 2024	Note
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	General investing	100%	100%	-
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Research	100%	100%	-
MStar Co., Ltd.	MStar Software R&D (Shenzhen), Ltd.	Technical services	100%	100%	-
Nephos Cayman Co. Limited	MediaTek Communication (Hefei) Co., Ltd.	Research, manufacturing and sales	100%	100%	11
Xuxin Investment (Shanghai) Inc.	Xuxi (Shanghai) Management Consulting Co., Ltd.	General investing	100%	100%	-
Xuxi (Shanghai) Management Consulting Co., Ltd.	Hefei Xuhui Management Consulting Co., Ltd.	General investing	100%	100%	-
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	General investing	100%	100%	-
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	General investing	100%	100%	-
MediaTek Global Holdings Limited	Digimoc Holdings Limited	General investing	100%	100%	-
MediaTek Capital Co.	IStar Technology Ltd.	General investing	-	100%	12
MediaTek Capital Co.	Hsiang Fa Co.	General investing	100%	100%	1
MediaTek Capital Co.	MediaTek Bangalore Private Limited	Research	0%	0%	1
MediaTek Capital Co.	Airoha Technology Corp.	Research, manufacturing and sales	4%	4%	1
Digimoc Holdings Limited	Cloud Ranger Limited	General investing	100%	100%	-
Digimoc Holdings Limited	Gold Rich International (Samoa) Limited	General investing	100%	100%	-

(To be continued)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2025	December 31, 2024	
Digimoc Holdings Limited	MediaTek India Technology Pvt. Ltd.	Research	0%	0%	7
MTKC Global Holdings Co. Limited	LePower (HK) Limited	General investing	100%	100%	-
MediaTek Investment HK Limited	Hsu Chia (Samoa) Investment Ltd.	General investing	-	-	13
MediaTek Investment HK Limited	Hsu Kang (Samoa) Investment Ltd.	General investing	-	-	13
MediaTek Investment HK Limited	Hsu Fa (Samoa) Investment Ltd.	General investing	100%	100%	-
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Technical services	100%	100%	-
MediaTek Wireless FZ-LLC	MLINK INVESTMENTS-FZCO	General investing	100%	-	14
MLINK INVESTMENTS-FZCO	Mlink Egypt	Research	100%	-	14
Hsu Zhan (HK) Investment Limited	IStar Technology Ltd.	General investing	100%	-	12

1. For the purpose of reorganization, Hsu-Ta Investment Corp. was dissolved due to merger into MediaTek Capital Co. on October 31, 2024. Subsidiaries previously owned by Hsu-Ta Investment Corp. were transferred to MediaTek Capital Co..
2. For the purpose of reorganization, the 100% ownership of MediaTek Japan Inc., which was previously owned by Gaintech Co. Limited, was transferred to MTK in July 2024.
3. For the purpose of reorganization, the 100% ownership of MediaTek Korea Inc., which was previously owned by Gaintech Co. Limited, was transferred to MTK in September 2024.
4. By acquiring privately issued common shares and holding more than half of the board seats, Airoha Technology Corp. has gained substantial control over IC PLUS Corp. (referred to as IC+) since July 1, 2024.

5. Hsu-Ta Investment Corp. acquired voting shares of Airoha Technology Corp. in several tranches from November 2023 to January 2024.
6. MediaTek Singapore Pte. Ltd. established MaiSys Design Technology SG Pte. Ltd. in May 2024.
7. For the purpose of reorganization, Core Tech Resources Inc. was dissolved due to merger into Digimoc Holdings Limited on October 31, 2024. Subsidiaries previously owned by Core Tech Resources Inc. were transferred to Digimoc Holdings Limited.
8. For the purpose of reorganization, Richtek Europe Holding B.V. has been liquidated in December 2025.
9. For the purpose of reorganization, Richtek Holding International Limited has been liquidated in September 2025.
10. For the purpose of reorganization, the 100% ownership of Richtek Europe B.V., which was previously owned by Richtek Europe Holding B.V., was transferred to Richtek Technology Corp. in December 2024.
11. Nephos (Hefei) Co., Ltd. was renamed MediaTek Communication (Hefei) Co., Ltd. in September 2025.
12. For the purpose of reorganization, the 100% ownership of Istar Technology Ltd., which was previously owned by MediaTek Capital Co., was transferred to Hsu Zhan (HK) Investment Limited in August 2025.
13. For the purpose of reorganization, Hsu Chia (Samoa) Investment Ltd. and Hsu Kang (Samoa) Investment Ltd. were dissolved due to merger into Hsu Fa (Samoa) Investment Ltd. on November 30, 2024.
14. MediaTek Wireless FZ-LLC completed the acquisition of 100% of the shares of MLINK INVESTMENTS-FZCO in March 2025. The subsidiary originally belonging to MLINK INVESTMENTS-FZCO was included in the consolidated entity.

Foreign currency transactions

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

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

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

(1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(2) Foreign currency items within the scope of IFRS 9 "Financial Instruments" are accounted for based on the accounting policy for financial instruments.

(3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

Translation of financial statements in foreign currency

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

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

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

Current and non-current distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

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 the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

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 with values subject to an insignificant risk of changes.

Financial instruments

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

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

(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 notes receivable, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Impairment of financial assets

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

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

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

The loss allowance is measured as follows:

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

(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:

(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.

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 act in their economic best interest.

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

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

Inventories

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

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

Investments accounted for using the equity method

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

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

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

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

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

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

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

The residual values, useful lives, estimated production quantity 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.

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
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.

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.

Investment property

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

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

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

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

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

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

Intangible assets

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

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

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

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

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 recognized in profit or loss.

Impairment of non-financial assets

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

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

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

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

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 allowances and returns (Refund liabilities)

The Company estimates sales allowances and returns 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.

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.

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 goods. Sales are recognized when goods have been shipped and the 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 products of the Company are integrated circuit design products for multimedia and mobile phone chips. 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. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Refund liability is also recognized during the period specified in the contract.

The credit period of the Company's sale of goods is from 30 to 90 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 contacts 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 contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. However, for some rendering of services contracts, part of the consideration was received from customers upon signing the contract, then the Company has the obligation to provide the services subsequently and it should be recognized as contract liabilities.

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

Silicon intellectual property license

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

Post-employment benefits

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

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

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

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

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 expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

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

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

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

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

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

Income taxes

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

A. Current income tax

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

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

B. Deferred tax

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

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. 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 offset 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.

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

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

5. Significant Accounting Judgments, Estimates and Assumptions

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

Estimates and assumptions

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

A. Fair value of Level 3 financial instruments

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

B. Valuation of inventory- estimation of obsolescence provision

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

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

C. Income tax

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

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 discounts and returns

The Company estimates sales allowance and returns based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales allowance and returns, 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. (18) for more details.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2025	December 31, 2024
Cash on hand and petty cash	$ 861	$ 972
Checking and savings accounts	12,541,011	11,194,434
Time deposits	221,928,210	192,289,486
Repurchase agreements	820,000	211,000
Total	$ 235,290,082	$ 203,695,892

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, 2025	December 31, 2024
Current		
Financial assets mandatorily measured at fair value through profit or loss		
Bonds	$ 1,278,329	$ 435,310
Linked deposits	554,361	1,883,616
Forward exchange contracts	5,131	265,406
Funds	-	2,651,106
Stocks	-	35,565
Total	$ 1,837,821	$ 5,271,003

	December 31, 2025	December 31, 2024
Held for trading financial liabilities		
Forward exchange contracts	$ 3,313	$ 4,229
Noncurrent		
Financial assets mandatorily measured at fair value through profit or loss		
Trust funds	$ 2,649,272	$ 2,099,410
Bonds	539,772	1,213,668
Funds	277,837	345,434
Capital	110,850	90,394
Linked deposits	-	745,879
Stocks	-	33,500
Total	$ 3,577,731	$ 4,528,285

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

	December 31, 2025	December 31, 2024
Current		
Debt instrument investments measured at fair value through other comprehensive income		
Bonds	$ 619,532	$ -
Equity instrument investments measured at fair value through other comprehensive income		
Listed company stocks	5,759,282	6,266,087
Total	$ 6,378,814	$ 6,266,087
Noncurrent		
Debt instrument investments measured at fair value through other comprehensive income		
Bonds	$ 200,000	$ 825,121
Equity instrument investments measured at fair value through other comprehensive income		
Listed company stocks	30,838,551	39,225,550
Capital	22,845,313	22,676,746
Unlisted company stocks	8,146,948	8,878,057
Funds	2,352,714	2,627,947
Subtotal	64,183,526	73,408,300
Total	$ 64,383,526	$ 74,233,421

No loss allowance 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 December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Related to investments held at the end of the reporting period	$ 5,164,119	$ 3,420,389
Related to investments derecognized during the period	41,338	-
Dividends recognized during the period	$ 5,205,457	$ 3,420,389

The Company derecognized certain equity instrument investments measured at fair value through other comprehensive income in consideration of the Company's investment strategy. Details on derecognition of the investments for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
The fair value of the investments at the date of derecognition	$ 2,803,991	$ 3,426,473
The cumulative gain on disposal reclassified from other equity to retained earnings	$ 870,639	$ 65,694

(4) Financial assets measured at amortized cost

	December 31, 2025	December 31, 2024
Current		
Bonds	$ 4,202,385	$ 4,346,058
Time deposits	-	44,766
Total	$ 4,202,385	$ 4,390,824

	December 31, 2025	December 31, 2024
Noncurrent		
Bonds	$ 80,546,956	$ 72,533,533
Time deposits	465,080	408,862
Total	$ 81,012,036	$ 72,942,395

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, 2025	December 31, 2024
Trade receivables	$ 62,057,330	$ 43,946,594
Less: loss allowance	(1,213)	(1,808)
Subtotal	62,056,117	43,944,786
Trade receivables from related parties	62,703	40,666
Less: loss allowance	-	-
Subtotal	62,703	40,666
Total	$ 62,118,820	$ 43,985,452

Trade receivables are generally on 30 to 90 day terms. Please refer to Note 6. (6) for more details on the loss allowance of trade receivables for the years ended December 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk.

Among trade receivables, the amount attributed to financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT$2,023,244 thousand and NT$1,051,951 thousand as of December 31, 2025 and 2024, respectively.

(6) Expected credit gains

	For the years ended December 31	
	2025	2024
Impairment gains		
Trade receivables	$ 586	$ 56,111

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

The Company measures the loss allowance of its receivables (including notes receivable, trade receivables and trade receivables from related parties) and finance lease receivables, net at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2025 and 2024 was 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 were as follows:

2025.12.31

		Past due				
	Neither past due	Within 30 days	31-60 days	61-90 days	After 90 days	Total
Gross carrying amount	$ 61,511,089	$ 467,389	$ 67,804	$ 9,990	$ 1,058	$ 62,057,330
Loss ratio	0%	0%	0%	0%-10%	20%-100%	
Lifetime expected credit losses	-	-	-	(940)	(273)	(1,213)
Carrying amount of trade receivables	$ 61,511,089	$ 467,389	$ 67,804	$ 9,050	$ 785	$ 62,056,117

2024.12.31

		Past due				
	Neither past due	Within 30 days	31-60 days	61-90 days	After 90 days	Total
Gross carrying amount	$ 42,057,792	$ 1,573,961	$ 237,760	$ 75,895	$ 1,186	$ 43,946,594
Loss ratio	0%	0%	0%	0%-10%	20%-100%	
Lifetime expected credit losses	-	-	-	(1,706)	(102)	(1,808)
Carrying amount of trade receivables	$ 42,057,792	$ 1,573,961	$ 237,760	$ 74,189	$ 1,084	$ 43,944,786

Neither the Company's note and trade receivables from related parties nor finance lease receivables were past due.

The movements in the provision for impairment of receivables and finance lease receivables for the years ended December 31, 2025 and 2024 were as follows:

	Notes receivable	Trade receivables (including related parties)	Finance lease receivables
As of January 1, 2025	$ -	$ 1,808	$ -
Allowance for the current period	-	(586)	-
Effect of changes in exchange rate	-	(9)	-
As of December 31, 2025	$ -	$ 1,213	$ -
As of January 1, 2024	$ -	$ 57,933	$ -
Allowance for the current period	-	(56,111)	-
Effect of changes in exchange rate	-	(14)	-
As of December 31, 2024	$ -	$ 1,808	$ -

(7) Other receivables

	December 31, 2025	December 31, 2024
Factoring receivables	$ 1,565,411	$ 2,029,144
Others	4,910,611	5,027,824
Total	$ 6,476,022	$ 7,056,968

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 such trade receivables after deducting the estimated value of commercial disputes.

As of December 31, 2025 and 2024, trade receivables derecognized were summarized (by transferee) as follows:

A. As of December 31, 2025:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US$'000)	Cash withdrawn (US$'000)	Unutilized (US$'000)	Credit line (US$'000)
BNP Paribas	-	$ 11,135	$ -	$ 11,135	$ 105,000
Taishin International Bank	-	38,457	-	38,457	173,000
SMBC	-	-	-	-	18,000
CTBC	-	-	-	-	300
SinoPac	-	-	-	-	10,000
CHB	-	192	-	192	1,380
Total		$ 49,784	$ -	$ 49,784	$ 307,680

B. As of December 31, 2024:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US$'000)	Cash withdrawn (US$'000)	Unutilized (US$'000)	Credit line (US$'000)
BNP Paribas	-	$ 9,288	$ -	$ 9,288	$ 105,000
Taishin International Bank	-	50,157	-	50,157	185,000
SMBC	-	-	-	-	18,000
CTBC	-	-	-	-	300
SinoPac	-	2,092	-	2,092	10,000
CHB	-	388	-	388	1,200
Total		$ 61,925	$ -	$ 61,925	$ 319,500

(8) Inventories

	December 31, 2025	December 31, 2024
Raw materials	$ 3,279,147	$ 1,319,997
Work in progress	46,869,225	35,633,141
Finished goods	17,086,187	21,461,107
Net amount	$ 67,234,559	$ 58,414,245

The Company's operating costs are all related to inventories, including the reversals of write-downs recognized when the circumstances that previously caused inventories to be written down below cost no longer exist, were as follows:

	For the years ended December 31	
	2025	2024
Reversals of write-downs of inventories	$ 443,145	$ 2,564,066

(9) Prepayments

	December 31, 2025	December 31, 2024
Prepaid expenses	$ 893,600	$ 840,594
Input tax	131,800	219,469
Others	9,797,616	14,805,734
Total	$ 10,823,016	$ 15,865,797

(10) Investments accounted for using the equity method

Details of investments in associates were as follows:

	December 31, 2025		December 31, 2024	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Vanchip (Tianjin) Technology Co., Ltd.	$ 4,614,564	24	$ 4,559,987	24
Sigmastar Technology Ltd.	10,082,115	29	10,114,735	29
Zilltek Technology Corp.	1,842,135	18	1,819,206	18
Others	3,399,498	-	1,772,440	-
Total	$ 19,938,312		$ 18,266,368	

Since the Company does not have the ability to direct the relevant activities of Sigmastar Technology Ltd. and Vanchip (Tianjin) Technology Co., Ltd., and therefore does not have control, the Company only has significant influence over them.

Even though the Company's ownership in some of the aforementioned investments was higher than 50%, those investments were structured as Limited Partnership, and the Company merely served as a Limited Partner without the ability to direct the relevant activities. Accordingly, the Company did not have control over them and they were not included in the consolidated entities.

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

Investments in associates

	For the years ended December 31	
	2025	2024
Profit from continuing operations	$ 747,630	$ 368,079
Other comprehensive income (post-tax)	59,466	4,529
Total comprehensive income	$ 807,096	$ 372,608

(11) Property, plant and equipment

	December 31, 2025	December 31, 2024
Owner-occupied property, plant and equipment	$ 60,427,356	$ 56,917,043

	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, 2025	$ 9,998,332	$ 33,795,042	$ 2,859,779	$ 17,349,984	$ 23,295,483	$ 20,153,434	$ 2,319,873	$ 109,771,927
Additions-acquired separately	-	320,114	1,443,046	2,295,766	1,869,910	5,926,884	3,211,567	15,067,287
Disposals	-	(16,224)	(1,851)	(563,982)	(270,744)	(331,563)	-	(1,184,364)
Transfers	-	(134,986)	10,910	-	27,622	27,322	(66,419)	(135,551)
Exchange differences	-	62,034	(192)	(56,905)	24,573	541,419	-	570,929
As of December 31, 2025	9,998,332	34,025,980	4,311,692	19,024,863	24,946,844	26,317,496	5,465,021	124,090,228
Depreciation and impairment:								
As of January 1, 2025	-	8,885,420	1,380,420	13,578,880	15,088,662	13,921,502	-	52,854,884
Depreciation	-	856,152	462,318	2,439,929	2,551,330	5,872,890	-	12,182,619
Disposals	-	(15,397)	(1,851)	(552,974)	(251,707)	(292,780)	-	(1,114,709)
Transfers	-	(26,841)	(1,340)	-	1,340	-	-	(26,841)
Exchange differences	-	23,534	(184)	(57,351)	25,580	(224,660)	-	(233,081)
As of December 31, 2025	-	9,722,868	1,839,363	15,408,484	17,415,205	19,276,952	-	63,662,872
Net carrying amount as of:								
December 31, 2025	$ 9,998,332	$ 24,303,112	$ 2,472,329	$ 3,616,379	$ 7,531,639	$ 7,040,544	$ 5,465,021	$ 60,427,356

	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, 2024	$ 9,605,842	$ 33,110,317	$ 1,355,918	$ 16,157,848	$ 20,210,878	$ 14,323,664	$ 661,567	$ 95,426,034
Additions-acquired separately	-	74,793	1,490,596	1,711,592	3,395,350	5,490,372	2,151,356	14,314,059
Additions-acquired through business combinations	356,243	137,888	13,050	11,403	-	48,183	-	566,767
Disposals	-	(1,719)	(154)	(674,856)	(498,264)	(90,348)	-	(1,265,341)
Transfers	36,247	13,731	-	814	35,300	17,654	(493,806)	(390,060)
Exchange differences	-	460,032	369	143,183	152,219	363,909	756	1,120,468
As of December 31, 2024	9,998,332	33,795,042	2,859,779	17,349,984	23,295,483	20,153,434	2,319,873	109,771,927
Depreciation and impairment:								
As of January 1, 2024	-	7,947,970	1,047,497	11,541,615	12,933,301	8,664,386	-	42,134,769
Depreciation	-	910,954	332,753	2,587,491	2,535,861	5,088,186	-	11,455,245
Disposals	-	(1,255)	(154)	(659,949)	(497,174)	(87,249)	-	(1,245,781)
Transfers	-	(55,989)	-	747	(114)	(142)	-	(55,498)
Exchange differences	-	83,740	324	108,976	116,788	256,321	-	566,149
As of December 31, 2024	-	8,885,420	1,380,420	13,578,880	15,088,662	13,921,502	-	52,854,884
Net carrying amount as of:								
December 31, 2024	$ 9,998,332	$ 24,909,622	$ 1,479,359	$ 3,771,104	$ 8,206,821	$ 6,231,932	$ 2,319,873	$ 56,917,043

The amount of the Company's capitalized depreciation expense and interest expense arising from right-of-use assets and lease liabilities and the interest rate of the capitalization were as follows:

	For the years ended December 31	
	2025	2024
Capitalized depreciation expense	$ 97,762	$ 68,696
Capitalized interest expense	$ 58,777	$ 113,596
Interest rate of the capitalization	0.925%~2.235%	0.925%

(12) Leases

A. The Company as a lessee

The Company leases various property (land and buildings), machinery equipment, transportation equipment and office equipment. The lease terms range between 1 and 70 years.

a. Right-of-use asset

	December 31, 2025	December 31, 2024
Land	$ 6,354,103	$ 6,457,298
Buildings and facilities	1,896,677	2,309,920
Machinery equipment	385,795	142,967
Transportation equipment	15,488	6,484
Office equipment	387	1,890
Total	$ 8,652,450	$ 8,918,559

During the years ended December 31, 2025 and 2024, the additions to right-of-use assets of the Company amounted to NT$990,047 thousand and NT$1,394,895 thousand, respectively.

b. Lease liability

	December 31, 2025	December 31, 2024
Lease liability-current	$ 1,024,052	$ 995,267
Lease liability-noncurrent	8,165,194	8,375,041
Total	$ 9,189,246	$ 9,370,308

Please refer to Note 6. (28) finance cost for the interest on lease liability recognized during the years ended December 31, 2025 and 2024 and Note 12. (2) C. for the maturity analysis of lease liabilities

The Company capitalized certain depreciation and interest expenses during the years ended December 31, 2025 and 2024. Please refer to Note 6. (11) for related information.

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2025	2024
Land	$ 22,105	$ 56,362
Buildings and facilities	879,269	847,816
Machinery equipment	166,146	118,237
Transportation equipment	5,553	5,903
Office equipment	1,492	1,494
Total	$ 1,074,565	$ 1,029,812

d. Income and costs relating to leasing activities

	For the years ended December 31	
	2025	2024
The expense relating to short-term leases	$ 65,380	$ 60,417
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	$ 6,067	$ 4,901
Income from subleasing right-of-use assets	$ 26,571	$ 27,213

e. Cash outflow relating to leasing activities

During the years ended December 31, 2025 and 2024, the Company's total cash outflows for leases amounted to NT$1,347,923 thousand and NT$1,071,927 thousand, respectively.

f. Other information relating to leasing activities

Subsidiary Hsu-Yuan Investment Corp. ("Hsu-Yuan") signed a contract with Railway Bureau, MOTC ("RB") to obtain land usufruct. The contract contains variable payment terms that are linked to certain percentages of sales generated from the leased land. As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities. The variable rental payment will be 1% (when sales range between NT$350,000-430,000 thousand), 2% (when sales range between NT$430,000-520,000 thousand), and 3% (when sales exceed NT$520,000 thousand) of Hsu-Yuan's sales, respectively.

B. The Company as a lessor

Please refer to Note 6. (13) for details on the Company's owned investment properties and investment properties held by the Company as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to the ownership of underlying assets.

The Company has entered into machinery and equipment lease agreements with terms from 2020 to 2030. These leases are classified as finance leases as they transfer substantially all the risks and rewards incidental to the ownership of the underlying assets.

	For the years ended December 31	
	2025	2024
Lease income from operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$ 322,745	$ 315,933
Lease income from finance leases		
Finance income on the net investment in the lease	7,286	18,961
Total	$ 330,031	$ 334,894

The undiscounted lease payments to be received for the remaining years as of December 31, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Not later than one year	$ 2,486	$ 735,143
Later than one year and not later than two years	2,486	-
Later than two years and not later than three years	2,486	-
Later than three years and not later than four years	2,486	-
Total non-discounted lease payments	9,944	735,143
Less: unearned finance income of finance lease	(835)	(7,251)
Less: allowance for doubtful debts	-	-
Net investment in the finance lease (receivable of a finance lease)	$ 9,109	$ 727,892
Current	$ 2,130	$ 727,892
Noncurrent	$ 6,979	$ -

(13) Investment property

The Company's investment properties include both owned investment properties and investment properties held by the Company as right-of-use assets. The Company has entered into commercial property leases for its owned investment properties with terms between 40 and 50 years. These leases include a clause to enable revision of the rental charge on an annual basis according to prevailing market conditions. The investment properties held by the Company as right-of-use assets have non-cancellable period ranging from 3 to 50 years. Some of these contracts provide the Company with options to extend the leases.

	Land	Buildings and facilities	Right-of-use assets	Total
Cost:				
As of January 1, 2025	$ 93,670	$ 2,884,991	$ 129,443	$ 3,108,104
Additions	-	1,920	-	1,920
Lease modifications	-	-	(2,772)	(2,772)
Transfers	-	134,985	-	134,985
Exchange differences	-	10,847	209	11,056
As of December 31, 2025	93,670	3,032,743	126,880	3,253,293
Depreciation and impairment:				
As of January 1, 2025	-	533,723	20,096	553,819
Depreciation	-	74,767	3,892	78,659
Transfers	-	26,841	-	26,841
Exchange differences	-	4,137	55	4,192
As of December 31, 2025	-	639,468	24,043	663,511
Net carrying amount as of:				
December 31, 2025	$ 93,670	$ 2,393,275	$ 102,837	$ 2,589,782

	Land	Buildings and facilities	Right-of-use assets	Total
Cost:				
As of January 1, 2024	$ -	$ 2,512,330	$ 118,864	$ 2,631,194
Transfers	93,670	296,796	9,115	399,581
Exchange differences	-	75,865	1,464	77,329
As of December 31, 2024	93,670	2,884,991	129,443	3,108,104
Depreciation and impairment:				
As of January 1, 2024	-	394,887	14,391	409,278
Depreciation	-	71,263	3,904	75,167
Transfers	-	56,132	1,721	57,853
Exchange differences	-	11,441	80	11,521
As of December 31, 2024	-	533,723	20,096	553,819
Net carrying amount as of:				
December 31, 2024	$ 93,670	$ 2,351,268	$ 109,347	$ 2,554,285

	For the years ended December 31	
	2025	2024
Rental income from investment properties	$ 236,222	$ 226,851
Less: direct operating expenses from investment properties generating rental income	(78,659)	(75,167)
Total	$ 157,563	$ 151,684

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

Based on market approach:

	December 31, 2025	December 31, 2024
Fair value	$ 3,390,534	$ 3,685,710

Based on discounted cash flow approach：

	December 31, 2025	December 31, 2024
Fair value	$ 443,910	$ 464,529
Discount rate	3.470%	3.645%
Capitalization rate	2.700%	2.875%
Growth rate	2.0%	0.5%

For those right-of-use assets leased as operating leases and classified as investment properties, please refer to Note 6. (12) for relevant disclosure which required by IFRS 16.

(14) Intangible assets

	Trademarks	Software	Customer relationship	Patents, IPs and others	Goodwill	Total
Cost:						
As of January 1, 2025	$ 352,055	$ 1,587,848	$ 2,635,440	$ 32,457,589	$ 67,908,730	$ 104,941,662
Additions-acquired separately	-	374,977	-	7,243,876	-	7,618,853
Additions-acquired through business combinations	-	-	-	-	231,979	231,979
Disposals	-	(220,183)	-	(2,052,804)	-	(2,272,987)
Exchange differences	-	(5,318)	-	(323,956)	(35,645)	(364,919)
As of December 31, 2025	352,055	1,737,324	2,635,440	37,324,705	68,105,064	110,154,588
Amortization and impairment:						
As of January 1, 2025	351,992	1,054,258	2,155,054	19,123,316	-	22,684,620
Amortization	63	509,873	202,955	8,925,622	-	9,638,513
Disposals	-	(220,183)	-	(2,052,804)	-	(2,272,987)
Exchange differences	-	(3,576)	-	(153,687)	-	(157,263)
As of December 31, 2025	352,055	1,340,372	2,358,009	25,842,447	-	29,892,883
Net carrying amount as of:						
December 31, 2025	$ -	$ 396,952	$ 277,431	$ 11,482,258	$ 68,105,064	$ 80,261,705

	Trademarks	Software	Customer relationship	Patents, IPs and others	Goodwill	Total
Cost:						
As of January 1, 2024	$ 352,055	$ 1,243,595	$ 2,581,940	$ 28,681,170	$ 66,042,932	$ 98,901,692
Additions-acquired separately	-	480,350	-	6,109,349	-	6,589,699
Additions-acquired through business combinations	-	45,131	53,500	601,400	1,829,300	2,529,331
Disposals	-	(190,624)	-	(3,454,632)	-	(3,645,256)
Transfers	-	285	-	-	-	285
Exchange differences	-	9,111	-	520,302	36,498	565,911
As of December 31, 2024	352,055	1,587,848	2,635,440	32,457,589	67,908,730	104,941,662
Amortization and impairment:						
As of January 1, 2024	351,842	803,168	1,898,571	14,603,343	-	17,656,924
Amortization	150	434,122	256,483	7,685,014	-	8,375,769
Disposals	-	(190,624)	-	(3,454,632)	-	(3,645,256)
Transfers	-	57	-	-	-	57
Exchange differences	-	7,535	-	289,591	-	297,126
As of December 31, 2024	351,992	1,054,258	2,155,054	19,123,316	-	22,684,620
Net carrying amount as of:						
December 31, 2024	$ 63	$ 533,590	$ 480,386	$ 13,334,273	$ 67,908,730	$ 82,257,042

(15) 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$68,105,064 thousand.

Key assumptions used in value-in-use calculations

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

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

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

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

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

Sensitivity to changes in assumptions

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

(16) Short-term borrowings

	December 31, 2025	December 31, 2024
Unsecured bank loans	$ 940,000	$ 940,000
Interest rates	1.97%	1.97%

(17) Other payables

	December 31, 2025	December 31, 2024
Accrued salaries and bonuses	$ 37,964,358	$ 40,278,816
Accrued royalties	1,375,404	2,767,240
Dividends payable	46,513,389	46,448,952
Others	21,614,915	20,847,571
Total	$ 107,468,066	$ 110,342,579

(18) Other current liabilities

	December 31, 2025	December 31, 2024
Refund liabilities (Note)	$ 102,242,687	$ 87,270,518
Others	2,144,508	1,154,284
Total	$ 104,387,195	$ 88,424,802

Note: Refund liabilities represented the Company's estimated sales allowances and returns based on past experience and other known factors.

(19) Post-employment benefits plans

Defined contribution plan

MTK and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. MTK and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts. Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts. Pension benefits for employees of foreign subsidiaries are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended December 31, 2025 and 2024 were NT$3,061,648 thousand and NT$2,935,354 thousand, respectively.

Defined benefits plan

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

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$63,663 thousand to its defined benefit plan during the 12 months after December 31, 2025.

The weighted average duration of the defined benefit obligations were 8 to 12 years and 9 to 13 years as of December 31, 2025 and 2024, respectively.

Pension costs recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	2024
Current service cost	$ 5,156	$ 5,816
Net interest on the net defined benefit liabilities	7,487	7,563
Past service cost	(1,505)	(2,551)
Total	$ 11,138	$ 10,828

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

	December 31, 2025	December 31, 2024
Defined benefit obligation	$ 912,327	$ 954,276
Plan assets at fair value	(502,347)	(460,718)
Net defined benefit assets	52,935	40,679
Net defined benefit liabilities	$ 462,915	$ 534,237

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, 2025	$ 954,276	$ (460,718)	$ 493,558
Current service cost	5,156	-	5,156
Interest expenses (income)	14,837	(7,350)	7,487
Past service cost	(1,505)	-	(1,505)
Subtotal	18,488	(7,350)	11,138
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	(46)	-	(46)

(To be continued)

(Continued)

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
Actuarial gains and losses arising from changes in financial assumptions	17,723	-	17,723
Experience adjustments	12,359	-	12,359
Remeasurements of the defined benefit assets	-	(31,322)	(31,322)
Subtotal	30,036	(31,322)	(1,286)
Payment of benefit obligation	(90,473)	63,843	(26,630)
Contributions by employer	-	(66,800)	(66,800)
As of December 31, 2025	$ 912,327	$ (502,347)	$ 409,980

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
As of January 1, 2024	$ 1,005,494	$ (410,989)	$ 594,505
Current service cost	5,816	-	5,816
Interest expenses (income)	12,907	(5,344)	7,563
Past service cost	(2,551)	-	(2,551)
Subtotal	16,172	(5,344)	10,828
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	7,004	-	7,004
Actuarial gains and losses arising from changes in financial assumptions	(30,870)	-	(30,870)
Experience adjustments	(25,576)	-	(25,576)
Remeasurements of the defined benefit assets	-	(35,352)	(35,352)
Subtotal	(49,442)	(35,352)	(84,794)
Payment of benefit obligation	(17,948)	17,948	-
Contributions by employer	-	(26,981)	(26,981)
As of December 31, 2024	$ 954,276	$ (460,718)	$ 493,558

The principal assumptions used in determining the Company's defined benefit plan were as below:

	December 31, 2025	December 31, 2024
Discount rate	1.30%~1.40%	1.25%~1.65%
Expected rate of salary increases	2.00%~4.50%	2.00%~4.50%

Sensitivity analysis for significant assumptions was as below:

	For the years ended December 31			
	2025		2024	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.5%	$ -	$ (44,126)	$ -	$ (48,983)
Discount rate decreases by 0.5%	54,159	-	60,394	-
Rate of future salary increases by 0.5%	53,450	-	59,768	-
Rate of future salary decreases by 0.5%	-	(43,997)	-	(48,970)

The sensitivity analysis above is based on a change in a significant assumption (for example: a change in the discount rate or future salary), while 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 from one another.

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

(20) Other non-current liabilities

	December 31, 2025	December 31, 2024
Provisions (Note)	$ -	$ -
Decommissioning liabilities	46,071	47,987
Others	4,287,080	3,518,034
Total	$ 4,333,151	$ 3,566,021

Note: The reversal of the Company's provisions for the year ended December 31, 2024 was NT$4,183,904 thousand. Please refer to Note 9 for more details.

(21) Equity

A. Share capital

	December 31, 2025	December 31, 2024
Authorized shares (in thousands)	2,000,000	2,000,000
Authorized capital	$ 20,000,000	$ 20,000,000
Issued and paid shares (in thousands)	1,603,912	1,601,688
Issued capital	$ 16,039,122	$ 16,016,880

The par value of issued common shares is NT$10 per share. Each share has one voting right and a right to receive dividends.

The authorized shares include 20,000 thousand shares allocated for the exercise of employee stock options.

On May 27, 2024, the general shareholders' meeting approved to issue restricted stocks for employees. As of December 31, 2025, 4,639,479 shares of restricted stocks for employees were issued. Relevant regulators' approvals have been obtained and related registration processes have been completed.

MTK has redeemed and cancelled 55,940 shares and 318,874 shares of issued restricted stocks for employees during the years ended December 31, 2025 and 2024, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

B. Capital surplus

	December 31, 2025	December 31, 2024
Additional paid-in capital	$ 6,676,456	$ 5,303,435
Treasury share transactions	4,058,999	3,638,117
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	6,942,948	6,942,770
Changes in ownership interests in subsidiaries	8,280,276	8,280,276
Donated assets	1,261	1,261
Share of changes in net assets of associates	4,799,848	4,466,121
Restricted stocks for employees	3,306,023	2,512,751
Others	533,913	491,322
Total	$ 34,599,724	$ 31,636,053

According to the Company Act, the capital surplus shall not be used except for offsetting 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 held by each of them.

C. Treasury shares

As of December 31, 2025 and 2024, 7,794,085 shares of MTK's common shares amounted to NT$55,970 thousand were held by the subsidiary, Hsiang Fa Co. These shares were acquired by Hsiang Fa Co. for financing purposes before the amendment of the Company Act on November 12, 2001.

As of December 31, 2025 and 2024, MTK did not hold any other treasury shares.

D. Retained earnings and dividend policy

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

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

Based on the authorization from the Articles of Incorporation as mentioned above, the 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 distribution to the shareholders' meeting.

Dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.

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

Pursuant to existing regulations, MTK is required to set aside an 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 distributions of earnings for the years of 2025 and 2024 were resolved by the Board of Directors' meeting. The details of the distribution were as follows:

	Second half year of 2025	First half year of 2025
Board of Directors' meeting	February 26, 2026	October 31, 2025
Legal reserve (Note)	$ 4,858,537	$ 5,760,134
Cash dividends-common stock	$ 39,295,655	$ 46,513,389
Dividends per share (NT$)	$ 24.5	$ 29.0

	Second half year of 2024	First half year of 2024
Board of Directors' meeting	February 27, 2025	October 30, 2024
Legal reserve	$ 4,951,119	$ 5,702,090
Cash dividends-common stock	$ 40,041,559	$ 46,448,952
Dividends per share (NT$)	$ 25.0	$ 29.0

Note: Legal reserve for 2025 is subject to the resolution of general shareholders' meeting which will be held in 2026.

E. Non-controlling interests

	For the years ended December 31	
	2025	2024
Beginning balance	$ 8,428,270	$ 5,999,576
Gains attributable to non-controlling interests	798,320	754,045
Other comprehensive income (losses), attributable to non-controlling interests, net of tax:		
Remeasurements of defined benefit plans	1,303	52
Exchange differences resulting from translating the financial statements of foreign operations	2,306	26,566
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(8,687)	-
Changes in associates and joint ventures accounted for using the equity method	876	916
Changes in ownership interests in subsidiary	-	(73,469)
Sale of additional interest in a subsidiary	-	(43,661)
Acquired through business combinations	-	2,008,014
Others	(628,355)	(243,769)
Ending balance	$ 8,594,033	$ 8,428,270

(22) 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.

Restricted stock plan for employees of MTK

On May 27, 2024, the shareholders' meeting approved to issue gratuitous restricted stocks for employees, at a total of 24,000,000 common shares. MTK shall set up the actual issuance date(s) in one tranche or in installments within one year from the date of receipt of the effective registration of the competent authority.

MTK issued 2,359,347 and 2,280,132 gratuitous restricted stocks on August 23, 2024 and August 22, 2025, respectively. The issuance process was granted effective registration by the securities authority.

The fair value of the restricted stocks issued was NT$1,090.09~NT$1,225 and NT$1,117~NT$1,365 per share, respectively. The estimated compensation expenses amounted to NT$ 4,808,126 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of December 31, 2025, MTK had recognized NT$2,836,584 thousand as compensation expense and NT$1,933,141 thousand as unearned employee compensation, which were recorded under salary expense and other equity, respectively.

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

	Restricted stock plan for employees
Expected volatility (%)	36.46%~38.47%
Risk free interest rate (%)	1.176%~1.32%
Pricing Approach	Monte Carlo Simulation

Restrictions on the rights and vesting conditions of the first restricted stocks for employees under the 2024 plan are as follows:

A. To issue common shares of MTK with gratuitous issue price.

B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company’s employment agreement, employee handbook, non-competition clause, confidentiality agreement or policies and achievement of both personal performance criteria and the Company’s performance target during the vesting period, are eligible to receive the vested shares. The vesting period of the plan is two years. The maximum portions of the vesting shares of 2025 are 50%, and the cumulative maximum portions of vesting shares for two years from 2025 to 2026 are 100%. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company’s performance target.

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 under the 2024 plan are as follows:

A. To issue common shares of MTK with gratuitous issue price.

B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, non-competition clause, confidentiality agreement or policies and achievement of both personal performance criteria and the Company's performance target during the vesting period, are eligible to receive the vested shares. The vesting period of the plan is two years. The maximum portions of the vesting shares of 2026 are 50%, and the cumulative maximum portions of vesting shares for two years from 2026 to 2027 are 100%. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's performance target.

C. During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.

D. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting, etc., are the same as those of the common shareholders', and the rights will be exercised by the custodian organizations according to the trust contracts.

Share-based payment plans of subsidiaries

On November 29, 2021, Board of Directors of Airoha Technology Corp. approved the option plans for foreign employees. The total units of the stock options are 1,111,727 units for foreign optionees, each unit of employee stock options is eligible to subscribe for one common share of Airoha Technology Corp. The options may be granted to qualified employees of Airoha Technology Corp. or any of its domestic or foreign subsidiaries. Settlement upon the exercise of the options will be made through the issuance of new shares by Airoha Technology Corp. The rights of the new shares are the same as those of common shares.

The issuance date of foreign employee stock options was determined to be on January 10, 2022. The option holders of the employee stock options may exercise the options within two months after the date that the stocks of Airoha Technology Corp. are listed on a centralized exchange market and the designated accounts required by the relevant regulators are opened. The exercise price ranged from NT$67 to NT$137 per share. In accordance with the plan, the number of exercisable shares is subject to adjustments in the situation that Airoha Technology Corp. increases its capital through the capitalization of retained earnings or capital surplus. On February 8, 2022, the general shareholders' meeting of Airoha Technology Corp. resolved to issue 41,573 thousand new common shares in the amount of NT$415,730 thousands from capital surplus. Accordingly, the number of exercisable shares was adjusted upward by 441,986 common shares. The incremental fair value thus incurred would be recognized as an expense during the remaining vesting period.

Airoha Technology Corp. adopted the fair value method to determine the compensation cost and the Black-Scholes Option Pricing Model was used to estimate the fair value of options granted. Assumptions used in calculating the fair value are disclosed as follows:

	Employee stock option
Expected dividend yield (%)	0.00%
Expected volatility (%)	35.91%~54.66%
Risk free interest rate (%)	0.41%
Expected life (Years)	0.01 years~1.61 years

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

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

	For the years ended December 31			
	2025		2024	
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	-	$ -	1,483,851	$ 82
Exercised (Note)	-	-	(1,483,851)	82
Forfeited (Expired)	-	-	-	-
Outstanding at end of period	-	-	-	-
Exercisable at end of period	-	-	-	-
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$635 for the year ended December 31, 2024.

Share-based compensation expenses recognized were shown in the following table:

	For the years ended December 31	
	2025	2024
Restricted stocks for employees	$ 2,173,895	$ 1,216,286

The Company did not modify or cancel any share-based payment plans for the years ended December 31, 2025 and 2024.

(23) Sales

Analysis of revenue from contracts with customers was as follows:

A. Disaggregation of revenue

	For the years ended December 31	
	2025	2024
Sale of goods	$ 585,345,737	$ 522,257,791
Services and other operating revenue	10,619,945	8,328,095
Total	$ 595,965,682	$ 530,585,886
Revenue recognition point:		
At a point in time	$ 589,384,742	$ 525,443,735
Satisfies the performance obligation over time	6,580,940	5,142,151
Total	$ 595,965,682	$ 530,585,886

B. Contract balances

Contract liabilities-current

	December 31, 2025	December 31, 2024	January 1, 2024
Sale of goods	$ 1,270,236	$ 1,191,549	$ 1,615,650
Services and other operating revenue	6,028,234	3,126,879	1,761,109
Total	$ 7,298,470	$ 4,318,428	$ 3,376,759

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Revenue recognized during the period that was included in the beginning balance	$ 2,396,394	$ 2,308,483
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	$ 5,379,848	$ 3,264,598

C. Transaction price allocated to unsatisfied performance obligations

As of December 31, 2025 and 2024, no disclosure of the unsatisfied performance obligations was needed as the contract terms with customers for the sales of goods are all shorter than one year; besides, the summarized amounts of transaction price allocated to unsatisfied performance obligations for rendering services were NT$15,040,137 thousand and NT$3,527,985 thousand, respectively. 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.

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

	For the years ended December 31					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	$ 43,158	$ 3,029,628	$ 3,072,786	$ 49,874	$ 2,896,308	$ 2,946,182
Others	$ 1,160,223	$ 98,916,111	$ 100,076,334	$ 1,334,987	$ 96,942,792	$ 98,277,779
Depreciation	$ 456,024	$ 12,879,819	$ 13,335,843	$ 381,901	$ 12,178,323	$ 12,560,224
Amortization	$ 10,105	$ 9,628,408	$ 9,638,513	$ 8,359	$ 8,367,410	$ 8,375,769

According to the Articles of Incorporation of MTK, no less than 1% of the current year's profit is distributable as employees' compensation (of the amount so allocated as employees' compensation, no less than 50% shall be allocated to the non-executive employees) and no more than 0.5% as remuneration to directors, provided that MTK's accumulated losses shall have been covered in advance. MTK may distribute the profit as employees' compensation in the form of shares or cash.

MTK accrued employees' compensation and remuneration to directors based on a specific rate of profit for the years ended December 31, 2025 and 2024. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, MTK will recognize the change as an adjustment to income of next year. The information about the employees' compensation and directors' remuneration is available on the "Market Observation Post System" website.

A resolution was approved in a meeting of the Board of Directors held on February 26, 2026 and February 27, 2025 to distribute cash as employees' compensation and remuneration to directors were as follows:

	For the years ended December 31	
	2025	2024
Employees' compensation	$ 1, 392,288	$ 1,382,436
Remuneration to directors	$ 103,000	$ 101,000

There was no difference between aforementioned approved amounts and the amounts charged against earnings in 2025 and 2024.

(25) Interest income

	For the years ended December 31	
	2025	2024
Financial assets measured at amortized cost	$ 10,716,441	$ 11,044,368
Financial assets at fair value through other comprehensive income	102,865	105,366
Total	$ 10,819,306	$ 11,149,734

(26) Other income

	For the years ended December 31	
	2025	2024
Rental income	$ 322,745	$ 315,933
Dividend income	5,208,705	3,421,872
Others	413,239	196,308
Total	$ 5,944,689	$ 3,934,113

(27) Other gains and losses

	For the years ended December 31	
	2025	2024
Gains (losses) on disposal of property, plant and equipment	$ 20,190	$ (3,813)
(Losses) gains on disposal of investments		
Investments accounted for using the equity method	(89)	1,007,936
Financial assets measured at amortized cost	-	(31,165)
Subsidiary	(11,662)	-
Foreign exchange gains (losses)	643,746	(1,547,231)
Impairment losses		
Investments accounted for using the equity method	-	(74,233)
Net (losses) gains on financial instruments at fair value through profit or loss	(177,579)	2,657,740
Others (Note)	4,046,508	(49,553)
Total	$ 4,521,114	$ 1,959,681

Note: The content includes the gains recognized from the sale of the Company's assets related to discrete timing controller (Discrete TCON) and the licensing of related technologies.

(28) Finance costs

	For the years ended December 31	
	2025	2024
Interest expenses on borrowings	$ 538,246	$ 348,669
Interest expenses on lease liabilities	113,786	104,622
Total	$ 652,032	$ 453,291

(29) Components of other comprehensive income

For the year ended December 31, 2025：

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	$ 1,286	$ -	$ 1,286	$ 302	$ 1,588
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(8,244,552)	-	(8,244,552)	(101,034)	(8,345,586)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	55,558	-	55,558	-	55,558
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(9,837,640)	11,662	(9,825,978)	-	(9,825,978)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	8,658	-	8,658	-	8,658
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	336,179	89	336,268	-	336,268
Total	$ (17,680,511)	$ 11,751	$ (17,668,760)	$ (100,732)	$ (17,769,492)

For the year ended December 31, 2024：

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	$ 84,794	$ -	$ 84,794	$ (16,326)	$ 68,468
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(2,088,221)	-	(2,088,221)	167,243	(1,920,978)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(718)	-	(718)	-	(718)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	17,212,011	-	17,212,011	-	17,212,011
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	14,028	-	14,028	-	14,028
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(180,082)	2,916	(177,166)	-	(177,166)
Total	$ 15,041,812	$ 2,916	$ 15,044,728	$ 150,917	$ 15,195,645

(30) Income tax

The major components of income tax expense were as follows:

	For the years ended December 31	
	2025	2024
Current income tax:		
Current income tax	$ 17,588,368	$ 8,999,278
Current income tax related to Pillar Two legislation	5,528,010	693,813
Deferred tax	(4,599,336)	2,484,447
Others	253,184	200,619
Total income tax expense recognized in profit or loss	$ 18,770,226	$ 12,378,157

Income tax recognized in other comprehensive income

	For the years ended December 31	
	2025	2024
Deferred tax:		
Remeasurements of defined benefit plans	$ (302)	$ 16,326
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	101,034	(167,243)
Income tax relating to components of other comprehensive income	$ 100,732	$ (150,917)

Income tax charged directly to equity

	For the years ended December 31	
	2025	2024
Current income tax:		
Realized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	$ 4,673	$ 11,441

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

	For the years ended December 31	
	2025	2024
Accounting profit before tax from continuing operations	$ 124,887,801	$ 119,518,780
Tax at the domestic rates applicable to profits in the country concerned	$ 34,357,448	$ 35,763,426
Corporate income tax related to Pillar Two	5,528,010	693,813
Tax effect of revenue exempt from taxation	(3,688,264)	(7,145,727)
Tax effect of expenses not deductible for tax purposes	1,806,923	523,322
Investment tax credits	(5,629,713)	(3,136,127)
Tax effect of deferred tax assets/liabilities	(15,312,487)	(14,404,111)
Others	1,708,309	83,561
Total income tax expense recognized in profit or loss	$ 18,770,226	$ 12,378,157

For the year ended December 31, 2025

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Charged directly to equity	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	$ 2,848,100	$ (85,872)	$ -	$ -	$ 2,762,228
Allowance for sales discounts and returns	4,556,833	1,277,260	-	-	5,834,093
Amortization of difference for tax purpose	672,798	403,660	-	-	1,076,458
Amortization of goodwill difference for tax purpose	(5,450,946)	(712,475)	-	-	(6,163,421)
Unused tax losses	11,529	567,509	-	-	579,038
Unused tax credits	316,476	740,656	-	-	1,057,132
Others	878,722	2,432,469	(100,732)	(4,673)	3,205,786
Deferred tax		$ 4,623,207	$ (100,732)	$ (4,673)	
Net deferred tax assets	$ 3,833,512				$ 8,351,314
Reflected in balance sheet as follows:					
Deferred tax assets	$ 14,390,228				$ 19,556,960
Deferred tax liabilities	$ (10,556,716)				$ (11,205,646)

For the year ended December 31, 2024

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Charged directly to equity	Acquired from business combinations	Ending balance
Temporary differences						
Unrealized allowance for inventory obsolescence	$ 3,373,403	$ (525,303)	$ -	$ -	$ -	$ 2,848,100
Allowance for sales discounts and returns	4,930,303	(373,470)	-	-	-	4,556,833
Amortization of difference for tax purpose	729,475	137,589	-	-	(194,266)	672,798
Amortization of goodwill difference for tax purpose	(4,738,415)	(712,531)	-	-	-	(5,450,946)
Unused tax losses	12,974	(1,445)	-	-	-	11,529
Unused tax credits	468,599	(152,123)	-	-	-	316,476
Others	1,435,006	(695,760)	150,917	(11,441)	-	878,722
Deferred tax		$ (2,323,043)	$ 150,917	$ (11,441)	$ (194,266)	
Net deferred tax assets	$ 6,211,345					$ 3,833,512
Reflected in balance sheet as follows:						
Deferred tax assets	$ 14,663,824					$ 14,390,228
Deferred tax liabilities	$ (8,452,479)					$ (10,556,716)

The assessment of income tax returns

As of December 31, 2025, the assessments of the income tax returns of MTK and its material subsidiaries were as follows:

	The assessment of income tax returns	Note
MTK	Assessed and approved up to 2023	
Subsidiary- Richtek Technology Corp.	Assessed and approved up to 2023	
Subsidiary- Airoha Technology Corp.	Assessed and approved up to 2023	

(31) Earnings per share

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

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

	For the years ended December 31	
	2025	2024
A. Basic earnings per share		
Profit attributable to ordinary equity owners of the parent (in thousand NT$)	$ 105,319,255	$ 106,386,578
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,591,949,347	1,589,670,990
Basic earnings per share (NT$)	$ 66.16	$ 66.92

	For the years ended December 31	
	2025	2024
B. Diluted earnings per share		
Profit attributable to ordinary equity owners of the parent (in thousand NT$)	$ 105,319,255	$ 106,386,578
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,591,949,347	1,589,670,990
Effect of dilution:		
Employees' compensation-stock (share)	1,112,017	1,126,586
Restricted stocks for employees (share)	1,990,413	2,248,160
Weighted average number of ordinary shares outstanding after dilution (share)	1,595,051,777	1,593,045,736
Diluted earnings per share (NT$)	$ 66.03	$ 66.78

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.

(32) Business Combination

Acquisition of IC PLUS Corp.

A resolution was passed at a Board of Directors' meeting of the subsidiary Airoha Technology Corp. on March 6, 2024 and June 17, 2024, to participate in IC+ private equity capital increase with a price of NT$1,932,774 thousand, and obtained 27,563,800 voting shares. This equity transaction was completed on July 1, 2024 and the change registration was completed. The shareholding ratio of Airoha Technology Corp. in IC+ changed from 0.94% to 29.26%, making it the single largest shareholder of IC+. MTK also holds 13.61% of the shares of IC+, totaling a combined holding of 42.87%. Since the Company holds more than half of the board seats, the Company has gained substantial control over IC+ since July 1, 2024, and it has been included as a subsidiary in the consolidated financial statements from that date.

IC+ is a Taiwan-based OTC company specializing in computer network communication IC design. The Company focuses on the Ethernet market opportunities, and the product lines of both companies are highly complementary and have no overlap. By participating in private placements, the two parties will strengthen cooperation in the future and expand the service markets of both parties.

Non-controlling interests of IC+ as their relative share which the company has elected of the recognized amount of identifiable net assets.

The fair value of the identifiable assets and liabilities of IC+ as at the date of acquisition were:

	Fair value recognized on the acquisition date
Cash	$ 2,151,811
Financial asset at fair value through profit or loss－current	42,402
Inventories	129,732
Other current assets	31,120
Property, plant and equipment	566,767
Intangible assets	700,031
Other non-current assets	522
	3,622,385
Current liabilities	(104,129)
Deferred tax liabilities	(194,266)
Other non-current liabilities	(3,017)
	(301,412)
Identifiable net assets at fair value	$ 3,320,973

Goodwill of IC+ was as follows:

	Amount
Cash consideration	$ 1,932,774
Fair value of equity interest in IC+ originally held by the Company	1,209,485
Add: non-controlling interests	2,008,014
Less: identifiable net assets at fair value	(3,320,973)
Goodwill	$ 1,829,300

The fair value and the total contractual amount of the trade receivables amounts to NT$ 25,268 thousand. It is expected that the full contractual amount can be collected.

Analysis of cash flows on acquisition:

	Amount
Net cash acquired from the subsidiary	$ 2,151,811
Transaction costs attributable to cash paid	(1,932,774)
Net cash flow on acquisition	$ 219,037

The aforementioned net assets were recognized and recorded with the purchase price allocation report by independent external experts on the acquisition date of July 1, 2024.

The goodwill arising from the acquisition of IC+ comprises the fair value of expected synergies arising from acquisition.

From the acquisition date, July 1, 2024, to December 31, 2024, IC+ has contributed NT$338,827 thousand to the Company's revenue, with a net loss of NT$40,831 thousand. If the combination had taken place at the beginning of that year, the Company's consolidated operations revenue would have been NT$530,891,100 thousand and the net profit would have been NT$107,067,657 thousand for the year ended December 31, 2024.

7. Related Party Transactions

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

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Intelligo Technology Inc. and its subsidiaries	Associate
ASIX Electronics Corporation	Associate
AMobile Solutions Corp.	Associate
Sigmastar Technology Ltd. and its subsidiaries	Associate
Intellectual Property Innovation Corp. (Note 1)	Associate
IC PLUS Corp. (Note 2)	Associate
Zilltek Technology Corp.	Associate
Gear Radio Limited and its subsidiaries	Associate
Vidaxio LLC	Associate
MoMAGIC Technologies Private Limited	Associate
King Yuan Electronics Co., Ltd. and its subsidiaries (Note 3)	Substantive related party

Note:

1. Due to the partial disposal of shares of Intellectual Property Innovation Corp. in June 2024, the Company lost significant influence over it. Investment in Intellectual Property Innovation Corp. was reclassified to financial assets at fair value through other comprehensive income. Accordingly, Intellectual Property Innovation Corp. was no longer an associate since that month.
2. IC PLUS Corp. was no longer an associate after the Company obtained control over it on July 1, 2024.
3. King Yuan Electronics Co., Ltd. completed the disposal of its entire shareholding in King Long Technology (Suzhou) Co., Ltd. in February 2025. Accordingly, King Long Technology (Suzhou) Co., Ltd. was no longer a substantive related party since that month.

Significant transactions with the related parties

(1) Sales

	For the years ended December 31	
	2025	2024
Sale of goods		
Associates		
Intelligo Technology Inc. and its subsidiaries	$ 424,610	$ 109,534
ASIX Electronics Corporation	267,054	223,742
Other	-	4,042
Subtotal	691,664	337,318
Services and other operating revenue		
Associates		
Sigmastar Technology Ltd. and its subsidiaries	105,318	99,549
Other	46,305	1,608
Subtotal	151,623	101,157
Total	$ 843,287	$ 438,475

The sales prices and payment terms to related parties were not significantly different from those of sales to third parties.

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

	For the years ended December 31	
	2025	2024
Substantive related party		
King Yuan Electronics Co., Ltd. and its subsidiaries	$ 8,507,473	$ 7,780,786

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

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

	For the years ended December 31	
	2025	2024
Associates		
Intelligo Technology Inc. and its subsidiaries	$ 112,238	$ 119,080
Other	271	10,118
Subtotal	112,509	129,198
Substantive related party		
King Yuan Electronics Co., Ltd. and its subsidiaries	5,171	107,222
Total	$ 117,680	$ 236,420

(4) Other income

	For the years ended December 31	
	2025	2024
Associates		
ASIX Electronics Corporation	$ 2,160	$ 2,290
Other	-	50
Subtotal	2,160	2,340
Substantive related party		
King Yuan Electronics Co., Ltd. and its subsidiaries	-	3,928
Total	$ 2,160	$ 6,268

(5) Rental income

	For the years ended December 31	
	2025	2024
Associate		
Sigmastar Technology Ltd. and its subsidiaries	$ 921	$ 906

The Company leased office to associates. The lease terms and prices were both determined in accordance with mutual agreements. The rental income was collected from associates monthly.

(6) Trade receivables from related parties

	December 31, 2025	December 31, 2024
Associates		
Intelligo Technology Inc. and its subsidiaries	$ 44,173	$ 2,147
ASIX Electronics Corporation	18,530	13,685
Sigmastar Technology Ltd. and its subsidiaries	-	24,834
Total	$ 62,703	$ 40,666

(7) Contract liabilities-current

	December 31, 2025	December 31, 2024
Associates		
Intelligo Technology Inc. and its subsidiaries	$ 47,674	$ -
Other	1,638	-
Total	$ 49,312	-

(8) Trade payables to related parties

	December 31, 2025	December 31, 2024
Substantive related party		
King Yuan Electronics Co., Ltd. and its subsidiaries	$ 2,539,928	$ 2,041,173
Associate	1	-
Total	$ 2,539,929	$ 2,041,173

(9) Other payables to related parties

	December 31, 2025	December 31, 2024
Associates		
Vidaxio LLC	$ 248,408	$ -
Intelligo Technology Inc. and its subsidiaries	62,294	54,110
Other	34,409	3,122
Subtotal	345,111	57,232
Substantive related party	2,012	4,478
Total	$ 347,123	$ 61,710

(10) Other current liabilities

	December 31, 2025	December 31, 2024
Associate		
Intelligo Technology Inc. and its subsidiaries	$ 365,090	$ -

(11) Deposits received

	December 31, 2025	December 31, 2024
Associates		
Intelligo Technology Inc. and its subsidiaries	$ 91,448	$ -
Other	161	161
Total	$ 91,609	$ 161

(12) Others

A. During the years ended December 31, 2025 and 2024, the Company acquired software from Intelligo Technology Inc. and its subsidiaries in the amount of NT$154,908 thousand and NT$111,518 thousand which was recorded as intangible assets, respectively.
B. The Company acquired approximately 3% of King Long Technology (Suzhou) Ltd. from KYEC Microelectronics Co., Ltd., subsidiary of King Yuan Electronic Co., Ltd. in the amount of USD$25,000 thousand in the year ended December 31, 2025.
C. During the year ended December 31, 2025, the Company acquired software from Gear Radio Limited and its subsidiaries in the amount of NT$30,315 thousand which was recorded as intangible assets.
D. During the year ended December 31, 2025, the Company commissioned research design services from Gear Radio Limited and its subsidiaries in the amount of NT$18,714 thousand which was recorded as prepayments.

(13) Key management personnel compensation

	For the years ended December 31	
	2025	2024
Short-term employee benefits (Note)	$ 2,489,142	$ 3,483,787
Share-based payment	447,131	260,190
Post-employment benefits	4,328	2,896
Total	$ 2,940,601	$ 3,746,873

Note: The compensation (including remuneration to directors) to key management personnel was determined by the Compensation Committee of MTK in accordance with individual

performance and the market trends.

8. Assets Pledged as Collateral

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

Assets pledged as collateral	Carrying amount December 31, 2025	Carrying amount December 31, 2024	Purpose of pledge
Financial assets measured at amortized cost-noncurrent	$ 12,457	$ 12,372	Lease execution deposits
Financial assets measured at amortized cost-noncurrent	76,350	75,574	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	96,779	96,079	Land lease guarantee
Financial assets measured at amortized cost-noncurrent	279,494	224,837	Performance bond
Property, plant and equipment-buildings and facilities	137,325	-	Long-term borrowings
Investment property-buildings and facilities	180,042	-	Long-term borrowings
Total	$ 782,447	$ 408,862	

9. Contingencies and Off Balance Sheet Commitments

(1) Significant commitments

A. Hsu-Yuan signed a contract with RB on June 14, 2022, to obtain a land usufruct of Shuxing Section in Zhubei City which is of 17,363.24 square meters. The duration of the superficies is from the date the registration was completed (July 6, 2022) to June 13, 2092.

Hsu-Yuan shall pay the land rent and a royalty as agreed by both parties during the contract period. Hsu-Yuan also needs to pay NT$170,000 thousand as a performance bond.

B. The Company entered into capacity reservation contracts with several suppliers. According to the contracts, the suppliers shall provide agreed production capacity with the Company after prepayments are made by the Company. As of December 31, 2023, the Company had written off certain unrecoverable prepayments and accrued provisions for certain unfulfillable contract obligations. As of December 31, 2024, the Company has revised certain agreements with suppliers and assessed that the reasons for the previously deemed irrecoverable refundable deposits no longer exist. Accordingly, the related provisions have been reversed, and the refundable deposits previously written off have been reinstated.

C. The Company entered into long-term energy purchase agreements with several suppliers. The relative fulfillment period, quantity and price were specified in the agreements.

(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 MTK and subsidiary MediaTek USA Inc. on September 17, 2020, alleging infringement of United States Patent Nos. 9,590,977 and 10,298,564. Philips transferred the accused patents to Media Content Protection LLC ("MCP") in August 2024 and MCP was substituted in as the plaintiff in place of Philips. The Court entered final judgement in favor of MediaTek on August 15, 2025. MCP appealed to the United States Court of Appeals for the Federal Circuit on August 22, 2025.

B. ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on November 10, 2022, alleging infringement of U.S. Patent Nos. 6,049,706, 6,266,518, 7,292,835 and 8,660,513.

ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on May 17, 2023, alleging infringement of U.S. Patent Nos. 7,483,686, 7,865,177 and 9,118,528.

ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on October 30, 2023, alleging infringement of U.S. Patent Nos. 7,050,508, 7,929,638 and 8,498,593.

C. MOSAID Technologies, Inc. filed a complaint in the United States District Court for the Eastern District of Texas against MTK and subsidiary MediaTek USA Inc. on March 28, 2023, alleging infringement of U.S. Patent Nos. 8,253,438, 8,854,077, 9,350,349, 7,224,563, 7,051,306, 7,945,885 and 7,996,811. Pursuant to the parties' joint motion to terminate, the court dismissed the case against MTK and its subsidiaries MediaTek USA Inc. on January 1, 2025.

D. Realtek Semiconductor Corporation filed a complaint in the United States District Court for the Northern District of California against MTK on June 6, 2023, asserting claims based on alleged unfair competition.

E. Redstone Logics LLC filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on January 26, 2024, alleging infringement of U.S. Patent No. 8,549,339. Pursuant to the parties' joint motion to terminate, the court dismissed the case against MTK and its subsidiaries MediaTek USA Inc. on June 6, 2025.

F. Daedalus Prime LLC filed a complaint in the German Dusseldorf Regional Court and in the Local Division Hamburg of the Unified Patent Court against MTK on April 9, 2024 and March 21, 2024, alleging infringement of German Patent Nos. DE 11 2012 003 701 B4, DE 11 2012 005 210 B4 and European Patent Nos EP 2,792,100 B1. Pursuant to the parties' joint motion to terminate, the court dismissed the case against MTK on June 16, 2025, and July 3, 2025.

Daedalus Prime LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on April 8, 2024, alleging infringement of U.S. Patent Nos. 11,507,167, 10,705,960, 10,725,919, 10,740,281, 9,887,838, 10,372,197, 8,984,228, 8,769,316. Pursuant to the parties' joint motion to terminate, the court dismissed the case against MTK on May 22, 2025.

G. Huawei Technologies Co., Ltd. and Huawei Device Co., Ltd. filed complaints in the People's Republic of China for the Shenzhen Intermediate People's Court against MTK on May 14, 2024, alleging infringement of China Patent Nos. 201810244560.X, 201380002080.8 and 201110255576.9 and requesting for a ruling of rate setting.

Huawei Technologies Co., Ltd. and Beijing Huawei Digital Technologies Co., Ltd. filed complaints in the People's Republic of China for the Shanghai Intellectual Property Court against MTK on August 14, 2024, alleging infringement of China Patent Nos. 202210840878.0, 201910468451.0 and 201810774593.5.

Huawei Technologies Co., Ltd. and Beijing Huawei Digital Technologies Co., Ltd. filed complaints in the People's Republic of China for the Guangzhou Intellectual Property Court against MTK on August 20, 2024, alleging infringement of China Patent Nos. 201811180240.9 and 201710063709.X.

Huawei Technologies Co., Ltd. and Shanghai Huawei Technologies Co., Ltd. filed complaints in the People's Republic of China for the Hangzhou Intermediate People's Court against MTK on August 21, 2024, alleging infringement of China Patent Nos. 201810759037.0 and 202110217137.2.

Huawei Technologies Co., Ltd. and Beijing Huawei Digital Technologies Co., Ltd. filed complaints in the Beijing Intellectual Property Court against MTK on August 19, 2024, alleging infringement of China Patent No. 202010304810.1.

Huawei Technologies Co., Ltd. and Shanghai Huawei Technologies Co., Ltd. filed complaints in the Beijing Intellectual Property Court against MTK on August 19, 2024, alleging infringement of China Patent No. 201711073264.X.

Huawei Technologies Co., Ltd. filed complaints in the Munich District Court of Germany against MTK and subsidiary MediaTek Germany GmbH on February 17, 2025, alleging infringement of European Patent Nos. EP3755052B1 and EP3707950B1.

Huawei Technologies Co., Ltd. filed complaints in the Munich District Court of Germany against MTK and subsidiary MediaTek Germany GmbH on February 18, 2025, alleging infringement of European Patent No. EP3582398B1.

Huawei Technologies Co., Ltd. filed complaints in the Mannheim District Court of Germany against MTK and subsidiary MediaTek Germany GmbH on February 17, 2025, alleging infringement of European Patent Nos. EP3624506B1 and EP3745767B1.

Huawei Technologies Co., Ltd. filed complaints in the Local Division Munich of the Unified Patent Court against subsidiary MediaTek Germany GmbH on March 24, 2025, alleging infringement of European Patent Nos. EP3905840B1 and EP4142215B1.

Huawei Technologies Co., Ltd. filed complaints in the Local Division Mannheim of the Unified Patent Court against subsidiary MediaTek Germany GmbH on March 24, 2025, alleging infringement of European Patent No. EP3567731B1.

Huawei Technologies Co., Ltd. filed complaints in the 4th Business Court of the Capital District of Rio de Janeiro State Court against MTK on March 31, 2025, alleging infringement of Brazilian Patent No. BR 122014030928-7.

Huawei Technologies Co., Ltd. filed complaints in the 1st Business Court of the Capital District of Rio de Janeiro State Court against MTK on March 31, 2025, alleging infringement of Brazilian Patent No. BR 112015013088-7.

Huawei do Brasil Telecomunicações Ltda. and Huawei Technologies Co., Ltd. filed complaints in the 3rd Business Court in São Paulo State Court against MTK on June 9, 2025, claiming non-essentiality and non-infringement of the following Brazilian patents owned by MediaTek and its subsidiary, HFI Innovation Inc.: Nos. BR 11 2019 019932 2 BI, BR 11 2019 002841 2 B1, BR 11 2017 006485 5 B1, BR 11 2019 019944 6 A2, BR 11 2019 002835 8 A2, BR 11 2017 017001 9, BR 11 2017 022436 4, BR 11 2018 002836 3 B1, BR 11 2013 023126 2 B1, and BR 11 2017 006378 6.

Huawei Technologies Co., Ltd. and MTK have reached a settlement. Pursuant to the parties' agreement, the above-mentioned cases are being withdrawn or dismissed by the court.

H. VDPP LLC filed a complaint in the United States District Court for the Western District of Texas against MediaTek USA Inc. on August 2, 2024, alleging infringement of U.S. Patent No. 10,021,380. Pursuant to the Plaintiff's motion for voluntary dismissal, the court dismissed the claims against MediaTek USA Inc. on January 21, 2025.

I. ServStor Technologies LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on September 19, 2024, alleging infringement of U.S. Patent Nos. 7,602,773, 7,643,476, 7,688,814 and 7,742,473. Pursuant to the Plaintiff's motion for voluntary dismissal, the court dismissed the claims against MTK on February 10, 2025.

J. Freedom Patents LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on April 24, 2025, alleging infringement of U.S. Patent Nos. 8,284,686, 8,374,096, 8,514,815. Pursuant to the Plaintiff's motion for voluntary dismissal, the court dismissed the claims against MTK on November 20, 2025.

K. Array Cache Technologies, LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on June 30, 2025, alleging infringement of U.S. Patent No. 11,334,485.

L. Beijing Jingshi Intellectual Property Management Co., Ltd. filed patent administrative adjudications with the Hangzhou Intellectual Property Office against MediaTek (Shenzhen) Inc. on January 20, 2025, alleging infringement of China Patent Nos. 200710074307.6 and 201910689923.5.

Beijing Jingshi Intellectual Property Management Co., Ltd. filed patent administrative adjudications with the Hangzhou Intellectual Property Office against MediaTek (Shenzhen) Inc. on June 2, 2025, alleging infringement of China Patent Nos. 201010110115.8 and 201880055005.0.

Beijing Jingshi Intellectual Property Management Co., Ltd. filed complaints in the People's Republic of China for the Shanghai Intellectual Property Court against MTK, MediaTek (Shenzhen) Inc. and MediaTek (Shanghai) Inc. on December 9, 2024, requesting for a ruling of rate setting.

Beijing Jingshi Intellectual Property Management Co., Ltd. filed complaints in the People's Republic of China for the Shanghai Intellectual Property Court against MediaTek (Shenzhen) Inc. and MediaTek (Shanghai) Inc. on December 9, 2024, alleging infringement of China Patent Nos. 200980122565.4 and 201280065658.X.

Except for cases that were dismissed or terminated (cases C, E, F, G, H, I, J), the Company is unable to determine the outcome of the above matters at this time as these matters are currently pending; further evaluations will be conducted on a continuous basis. The Company will handle these cases carefully.

10. Losses due to Major Disasters

None

11. Significant Subsequent Events

None

12. Others

(1) Financial instruments

A. Categories of financial instruments

Financial assets

	December 31, 2025	December 31, 2024
Financial assets at fair value through profit or loss:		
Held for trading financial assets	$ 5,131	$ 265,406
Mandatorily measured at fair value through profit or loss (Note 1)	7,433,665	10,585,833
Subtotal	7,438,796	10,851,239
Financial assets at fair value through other comprehensive income	70,762,340	80,499,508
Financial assets measured at amortized cost (Note 2)	387,084,349	331,746,500
Total	$ 465,285,485	$ 423,097,247

Financial liabilities

	December 31, 2025	December 31, 2024
Financial liabilities at fair value through profit or loss:		
Held for trading financial liabilities	$ 3,313	$ 4,229
Financial liabilities at amortized cost:		
Short-term borrowings	940,000	940,000
Trade payables (including related parties)	48,709,898	40,776,506
Other payables (including related parties)	107,815,189	110,404,289
Long-term payables (including current portion)	10,276,258	10,660,491
Long-term borrowings (including current portion)	60,000	-
Lease liabilities	9,189,246	9,370,308
Subtotal	176,990,591	172,151,594
Total	$ 176,993,904	$ 172,155,823

Notes:

1. Includes trade receivables classified as financial assets measured at fair value through profit or loss in the amount of NT$2,023,244 thousand and NT$1,051,951 thousand as of December 31, 2025 and 2024, respectively. Please refer to Note 6. (5) for further explanation.

2. Includes cash and cash equivalents (excluding cash on hand), financial assets measured at amortized cost, notes receivable, trade receivables (excluding financial assets measured at fair value through profit or loss of NT$2,023,244 thousand and NT$1,051,951 thousand as of December 31, 2025 and 2024, respectively. Please refer to Note 6. (5) for further explanation.), other receivables and finance lease receivables, net.

B. Fair values of financial instruments

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

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

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

(a) The carrying amount of cash and cash equivalents, trade receivables (including related parties), other receivables (including related parties), short-term borrowings, trade payables (including related parties) and other payables (including related parties) approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) The fair value of derivative financial instruments is based on market quotations. For unquoted derivatives that are not options, the fair value is determined based on discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the option pricing model.

(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 some 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:

As of December 31, 2025

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Bonds	$ -	$ -	$ 1,818,101	$ 1,818,101
Linked deposits	-	-	554,361	554,361
Funds	-	-	277,837	277,837
Trust funds	2,649,272	-	-	2,649,272
Capital	-	-	110,850	110,850
Forward exchange contracts	-	5,131	-	5,131
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	35,155,100	3,795,447	30,992,261	69,942,808
Debt instruments measured at fair value through other comprehensive income	619,532	-	200,000	819,532
Total	$ 38,423,904	$ 3,800,578	$ 33,953,410	$ 76,177,892
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 3,313	$ -	$ 3,313

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Bonds	$ -	$ -	$ 1,648,978	$ 1,648,978
Linked deposits	-	-	2,629,495	2,629,495
Stocks	69,065	-	-	69,065
Funds	1,052,502	-	1,944,038	2,996,540
Trust funds	2,099,410	-	-	2,099,410
Capital	-	-	90,394	90,394
Forward exchange contracts	-	265,406	-	265,406
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	44,242,409	3,877,175	31,554,803	79,674,387
Debt instruments measured at fair value through other comprehensive income	623,905	-	201,216	825,121
Total	$ 48,087,291	$ 4,142,581	$ 38,068,924	$ 90,298,796
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 4,229	$ -	$ 4,229

For the years ended December 31, 2025 and 2024, amounts transferred from level 2 of the fair value hierarchy to level 1 due to the release of the stock transfer restrictions were NT$2,103,344 thousand and nil, respectively.

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 was as follows:

	Asset							
	Mandatorily measured at fair value through profit or loss				Measured at fair value through other comprehensive income			
	Bonds	Funds	Link deposits	Capital	Bonds	Capital	Stocks	Total
As of January 1, 2025	$ 1,648,978	$ 1,944,038	$ 2,629,495	$ 90,394	$ 201,216	$ 22,676,746	$ 8,878,057	$ 38,068,924
Amount recognized in profit or loss	108,638	(4,259)	(18,114)	(5,500)	-	-	-	80,765
Amount recognized in OCI	-	-	-	-	(1,216)	798,119	(57,773)	739,130
Amount recognized in OCI-exchange differences	(16,684)	43,429	(82,906)	(3,699)	-	(520,317)	(321,354)	(901,531)
Acquisitions	188,664	-	-	29,655	-	3,128,856	638,144	3,985,319
Settlements	(111,495)	(1,705,371)	(1,974,114)	-	-	(1,237,826)	(569,397)	(5,598,203)
Transfer out of level 3	-	-	-	-	-	(2,000,265)	(420,729)	(2,420,994)
As of December 31, 2025	$ 1,818,101	$ 277,837	$ 554,361	$ 110,850	$ 200,000	$ 22,845,313	$ 8,146,948	$ 33,953,410

	Asset							
	Mandatorily measured at fair value through profit or loss				Measured at fair value through other comprehensive income			
	Bonds	Funds	Link deposits	Capital	Bonds	Capital	Stocks	Total
As of January 1, 2024	$ 1,541,120	$ 2,797,941	$ 2,736,431	$ -	$ 634,627	$ 22,111,167	$ 8,938,332	$ 38,759,618
Amount recognized in profit or loss	132,772	89,024	(44,177)	(590)	(246)	-	-	176,783
Amount recognized in OCI	-	-	-	-	14,499	(1,421,764)	764,485	(642,780)
Amount recognized in OCI-exchange differences	28,268	104,830	91,917	-	-	1,168,031	599,333	1,992,379
Acquisitions	98,304	9,437,945	589,824	90,984	-	1,355,867	1,868,873	13,441,797
Settlements	(151,486)	(10,485,702)	(744,500)	-	(447,664)	(536,555)	(334,011)	(12,699,918)
Transfer out of level 3	-	-	-	-	-	-	(2,958,955)	(2,958,955)
As of December 31, 2024	$ 1,648,978	$ 1,944,038	$ 2,629,495	$ 90,394	$ 201,216	$ 22,676,746	$ 8,878,057	$ 38,068,924

Total gains related to assets recognized for the years ended December 31, 2025 and 2024 amounted to NT$89,673 thousand and NT$122,014 thousand, respectively.

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

The Company's recurring fair value measurements in Level 3 of the fair value hierarchy and significant unobservable inputs of fair value measurement in Level 3 fair value hierarchy were as follows:

As of December 31, 2025:

Valuation technique		Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:					
At fair value through other comprehensive income					
Stocks	Market Approach	Discount for lack of marketability	0~30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2025 by NT$637,000 thousand.
Capital	Market Approach	Discount for lack of marketability	0~30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2025 by NT$309,225 thousand.

As of December 31, 2024:

	Valuation technique	Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:					
At fair value through other comprehensive income					
Stocks	Market Approach	Discount for lack of marketability	0~30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2024 by NT$437,250 thousand.
Capital	Market Approach	Discount for lack of marketability	0~30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2024 by NT$301,348 thousand.

The Company's linked deposits, funds and bonds 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 analyzed 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, 2025

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property	$ -	$ -	$ 3,834,444	$ 3,834,444

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property	$ -	$ -	$ 4,150,239	$ 4,150,239

D. Derivative financial instruments

The Company's derivative financial instruments held for trading were forward exchange contracts and cross-currency swap contracts. The related information was as follows:

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

Forward exchange contracts	Currency	Contract amount ('000)		Maturity
As of December 31, 2025	TWD to USD	Buy USD	30,000	January 2026
As of December 31, 2025	TWD to USD	Sell USD	15,000	January 2026
As of December 31, 2025	GBP to USD	Buy USD	31,000	January 2026
As of December 31, 2025	JPY to USD	Buy USD	1,299	June 2026
As of December 31, 2024	TWD to USD	Buy USD	500,000	January 2025
As of December 31, 2024	TWD to USD	Sell USD	17,000	January 2025
As of December 31, 2024	TWD to USD	Buy USD	60,000	February 2025
As of December 31, 2024	TWD to USD	Buy USD	330,000	March 2025
As of December 31, 2024	JPY to USD	Buy USD	1,297	June 2025

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

(2) Financial risk management objectives and policies

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

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

A. Market risk

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

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

a. Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries. The Company reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts and cross-currency swap contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit. As the purpose of holding forward exchange contracts and cross-currency swap contracts 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 and CNY. The information of the sensitivity analysis is as follows:

When NTD appreciates or depreciates against USD by 0.1%, the profit for the years ended December 31, 2025 and 2024 would decrease/increase by NT$105,336 thousand and NT$87,259 thousand, while equity would decrease/increase by NT$203,239 thousand and NT$225,046 thousand, respectively.

When NTD appreciates or depreciates against CNY by 0.1%, the profit for the years ended December 31, 2025 and 2024 would decrease/increase by NT$2,986 thousand and NT$2,147 thousand, while equity would decrease/increase by NT$27,091 thousand and NT$24,152 thousand, respectively.

b. Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest rates. At the reporting date, an increase/decrease of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2025 and 2024 to increase/decrease by NT$618 thousand and NT$868 thousand, respectively.

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 company 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, 2025 and 2024 to increase/decrease by nil and NT$691 thousand, respectively.

A change of 1% in the price of the listed company stocks and funds 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, 2025 and 2024 to increase/decrease by NT$389,505 thousand and NT$481,195 thousand, respectively.

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

B. Credit risk management

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

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

As of December 31, 2025 and 2024, receivables from top ten customers represented 59.97%, and 52.98% of the total trade receivables of the Company, respectively. The credit concentration risk of other account receivables was insignificant.

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

Credit risk of credit-linked deposits, interest rate-linked deposits, exchange-linked deposits, index-linked deposits and convertible bonds arises if the issuing banks breached the contracts or the debt issuer could not pay off the debts; the maximum exposure is the carrying value of those financial instruments. When engaging in such investment transactions, a prudent assessment is made based on the target company's credit status to minimize credit risk to the greatest extent possible.

The Company adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables and finance lease receivables which are measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Company makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates. The details of the assessment for the credit risk of the Company are described as follows:

Level of credit risk	Indicator	Measurement method for expected credit losses	Carrying amount	
			December 31, 2025	December 31, 2024
Low credit risk	Credit risk measure belongs to IG category Counter parties with investment grade credit rating	12-month expected credit losses	$ 85,568,873	$ 77,704,712
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category Contract payment overdue 30 days	Lifetime expected credit losses	$ -	$ -
Credit-impaired	Credit risk measure belongs to DS category or above Contract payment overdue 90 days Other impaired evidence	Lifetime expected credit losses	$ -	$ -
Simplified method (Note)	(Note)	Lifetime expected credit losses	$ 62,129,142	$ 44,715,152

Note: The Company adopted simplified method (lifetime expected credit loss) to measure credit risk. It includes notes receivable, trade receivables (including related parties) and finance 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 of that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (which is available without undue cost and effort) is mainly based on the macroeconomic information and industrial information and further adjusts the credit loss ratio if there is significant impact from forward-looking information.

C. Liquidity risk management

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

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Later than 5 years	Total
As of December 31, 2025				
Short-term borrowings	$ 942,637	$ -	$ -	$ 942,637
Trade payables (including related parties)	48,709,898	-	-	48,709,898
Other payables (including related parties)	107,813,262	-	-	107,813,262
Lease liabilities	1,163,796	2,054,383	8,612,520	11,830,699
Long-term payables	3,540,763	6,735,495	-	10,276,258
Long-term borrowings	-	39,987	23,423	63,410
Total	$ 162,170,356	$ 8,829,865	$ 8,635,943	$ 179,636,164

	Less than 1 year	1 to 5 years	Later than 5 years	Total
As of December 31, 2024				
Short-term borrowings	$ 941,781	$ -	$ -	$ 941,781
Trade payables (including related parties)	40,776,506	-	-	40,776,506
Other payables (including related parties)	110,403,371	-	-	110,403,371
Lease liabilities	1,064,205	2,222,828	8,823,111	12,110,144
Long-term payables	7,979,049	2,681,442	-	10,660,491
Total	$ 161,164,912	$ 4,904,270	$ 8,823,111	$ 174,892,293

Derivative financial liabilities

	Less than 1 year	1 to 5 years	Total
As of December 31, 2025			
Gross settlement			
Forward exchange contracts			
Inflow	$ 373,629	$ -	$ 373,629
Outflow	(377,328)	-	(377,328)
Net	$ (3,699)	$ -	$ (3,699)

	Less than 1 year	1 to 5 years	Total
As of December 31, 2024			
Gross settlement			
Forward exchange contracts			
Inflow	$ 595,280	$ -	$ 595,280
Outflow	(599,852)	-	(599,852)
Net	$ (4,572)	$ -	$ (4,572)

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, 2025:

	Short-term borrowings	Long-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
As of January 1, 2025	$ 940,000	$ -	$ 9,370,308	$ 196,400	$ 10,506,708
Cash flows	-	60,000	(1,162,690)	81,175	(1,021,515)
Non-cash movement	-	-	981,628	-	981,628
As of December 31, 2025	$ 940,000	$ 60,000	$ 9,189,246	$ 277,575	$ 10,466,821

Reconciliation of liabilities for the year ended December 31, 2024:

	Short-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
As of January 1, 2024	$ 2,200,000	$ 8,897,836	$ 211,796	$ 11,309,632
Cash flows	(1,260,000)	(901,987)	(16,003)	(2,177,990)
Non-cash movement	-	1,374,459	607	1,375,066
As of December 31, 2024	$ 940,000	$ 9,370,308	$ 196,400	$ 10,506,708

(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, 2025		
	Foreign Currency (thousand)	Exchange rate	NT$ (thousand)
Financial assets			
Monetary item:			
USD	$ 8,437,201	31.444	$ 265,293,951
CNY	$ 758,237	4.497	$ 3,409,944
Non-monetary item:			
USD	$ 3,874,062	31.444	$ 121,816,008
CNY	$ 6,022,490	4.497	$ 27,084,342
Financial liabilities			
Monetary item:			
USD	$ 2,512,794	31.444	$ 79,012,286
CNY	$ 92,665	4.497	$ 416,733

	December 31, 2024		
	Foreign Currency (thousand)	Exchange rate	NT$ (thousand)
Financial assets			
Monetary item:			
USD	$ 6,589,503	32.768	$ 215,924,807
CNY	$ 591,827	4.477	$ 2,649,392
Non-monetary item:			
USD	$ 3,877,613	32.768	$ 127,061,636
CNY	$ 5,395,062	4.477	$ 24,151,694
Financial liabilities			
Monetary item:			
USD	$ 1,785,130	32.768	$ 58,490,359
CNY	$ 112,148	4.477	$ 502,045

The above information is disclosed based on the carrying amounts of foreign currencies (after conversion to the Company's functional currency).

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) for the years ended December 31, 2025 and 2024 please refer to Note 6. (27).

(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, 2025: Please refer to Attachment 1.
B. Endorsement/Guarantee provided to others for the year ended December 31, 2025: Please refer to Attachment 2.
C. Significant securities held as of December 31, 2025: Please refer to Attachment 3.
D. 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, 2025: Please refer to Attachment 4.
E. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of the capital stock as of December 31, 2025: Please refer to Attachment 5.
F. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 6.

(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 7.

(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 8.

B. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please refer to Attachment 1 and Attachment 6.

14. Segment Information

(1) General information

The major sales of the Company come from multimedia and mobile phone chips and other integrated circuit design products. The chief operating decision maker reviews the overall operating results to make decisions about resources to be allocated to and evaluates the overall performance. Therefore, the Company is aggregated into a single segment.

(2) Geographical information

A. Net sales from external customers

	For the years ended December 31	
	2025	2024
Taiwan	$ 34,217,054	$ 29,372,704
Asia	547,599,577	487,633,087
Others	14,149,051	13,580,095
Total	$ 595,965,682	$ 530,585,886

Net sales are classified by customers' countries.

B. Non-current assets

	December 31, 2025	December 31, 2024
Taiwan	$ 130,137,033	$ 132,168,242
Asia	20,356,976	25,365,351
Others	1,964,256	2,351,934
Total	$ 152,458,265	$ 159,885,527

(3) Major customers

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

	For the years ended December 31	
	2025	2024
Customer A	$ 92,314,595	$ -
Customer B	71,933,222	64,472,495
Customer C	67,798,735	64,740,540
Customer D	-	79,179,427
Total	$ 232,046,552	$ 208,392,462

MEDIATEK INC. AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
For the year ended December 31, 2025

Attachment 1

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

NO.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance	Amount Actually Drawn	Interest Rate (Note 3)	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 Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Other receivables from related party	Yes	$ 320,163 CNY 70,000	$ 314,804 CNY 70,000	$ 314,804 CNY 70,000	3.00%	Short-term financing	-	Constructing Building	-	NA	-	$ 18,337,577 CNY 4,077,554	$ 18,337,577 CNY 4,077,554
		MediaTek (Shanghai) Inc.	Other receivables from related party	Yes	$ 1,097,700 CNY 240,000	$ 1,079,328 CNY 240,000	$ 1,079,328 CNY 240,000	3.00%	Short-term financing	-	Constructing Building	-	NA	-	$ 18,337,577 CNY 4,077,554	$ 18,337,577 CNY 4,077,554
		MediaTek (Wuhan) Inc.	Other receivables from related party	Yes	$ 914,750 CNY 200,000	$ 629,608 CNY 140,000	$ 629,608 CNY 140,000	3.00%	Short-term financing	-	Constructing Building	-	NA	-	$ 18,337,577 CNY 4,077,554	$ 18,337,577 CNY 4,077,554
2	Hsu Zhan (HK) Investment Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 34,588,400 USD 1,100,000	$ 34,588,400 USD 1,100,000	$ 5,659,920 USD 180,000	5.62%-6.59%	Short-term financing	-	Operating Capital	-	NA	-	$ 78,722,325 USD 2,503,572	$ 78,722,325 USD 2,503,572
		MediaTek Japan Inc.	Other receivables from related party	Yes	$ 44,992 JPY 200,000	$ 40,168 JPY 200,000	$ 40,168 JPY 200,000	1.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 78,722,325 USD 2,503,572	$ 78,722,325 USD 2,503,572
3	Digimoc Holdings Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 5,478,165 USD 167,400	$ 3,383,374 USD 107,600	$ 3,383,374 USD 107,600	0.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 41,437,695 USD 1,317,825	$ 41,437,695 USD 1,317,825
4	MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 3,533,012 USD 106,400	$ 3,186,849 USD 101,350	$ 3,186,849 USD 101,350	0.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 12,741,133 USD 405,201	$ 12,741,133 USD 405,201
5	Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Other receivables from related party	Yes	$ 265,640 USD 8,000	$ 251,552 USD 8,000	$ 220,108 USD 7,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 208,664,392 USD 6,636,064	$ 208,664,392 USD 6,636,064
		MediaTek Inc.	Other receivables from related party	Yes	$ 97,161,960 USD 3,090,000	$ 97,161,960 USD 3,090,000	$ 65,717,960 USD 2,090,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 208,664,392 USD 6,636,064	$ 208,664,392 USD 6,636,064
		MTK Wireless Limited	Other receivables from related party	Yes	$ 974,764 USD 31,000	$ 974,764 USD 31,000	$ 974,764 USD 31,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 208,664,392 USD 6,636,064	$ 208,664,392 USD 6,636,064
6	Lepower (HK) Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 879,933 USD 26,500	$ 833,266 USD 26,500	$ 833,266 USD 26,500	5.58%-6.60%	Short-term financing	-	Operating Capital	-	NA	-	$ 5,049,206 CNY 1,122,744	$ 5,049,206 CNY 1,122,744
7	Gold Rich International (HK) Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 664,100 USD 20,000	$ 627,937 USD 19,970	$ 627,937 USD 19,970	5.58%-6.60%	Short-term financing	-	Operating Capital	-	NA	-	$ 4,663,334 USD 148,306	$ 4,663,334 USD 148,306
8	Cloud Ranger Limited	Gaintech Co. Limited	Other receivables from related party	Yes	$ 830,125 USD 25,000	$ 786,100 USD 25,000	$ 786,100 USD 25,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 1,845,432 USD 58,689	$ 1,845,432 USD 58,689
9	MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	Other receivables from related party	Yes	$ 37,732,800 USD 1,200,000	$ 37,732,800 USD 1,200,000	$ 30,815,120 USD 980,000	5.33%-6.40%	Short-term financing	-	Operating Capital	-	NA	-	$ 70,062,611 USD 2,228,171	$ 70,062,611 USD 2,228,171
10	Hsiang Fa Co.	MediaTek Capital Co.	Other receivables from related party	Yes	$ 1,100,000	$ 1,100,000	$ 850,000	2.19%-2.20%	Short-term financing	-	Operating Capital	-	NA	-	$ 1,791,475	$ 7,165,901

Note 1: The operating procedures of financing provided to others of Hsu Fa (Samoa) Investment Ltd., Hsu Zhan (HK) Investment Limited, Digimoc Holdings Limited, MTKC Global Holdings Co. Limited, Gaintech Co. Limited, LePower (HK) Limited, Gold Rich International (HK) Limited, Cloud Ranger Limited, Mediatek Singapore Pte. Ltd. and Hsiang Fa Co. required:
A. The total amount for lending shall not exceed 40% of the lender's net worth,
B. The maximum amount lendable to a single company is 10% of the lender's net worth, and
C. Fund lending between foreign subsidiaries held directly or indirectly by the lender with 100% of voting stocks or foreign subsidiaries held directly or indirectly by the lender with 100% of voting stocks to MediaTek Inc. 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.

Note 3: The attachment above indicates the financing between subsidiary that are 100% owned within the group, related interest expense and income are recognized in the individual company accounts. There is no impact on th overall profit or loss of the group when preparing the consolidated financial statements.

MEDIATEK INC. AND SUBSIDIARIES
ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
For the year ended December 31, 2025

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	$ 80,120,198 (Note 1)	$ 24,000,000	$ 24,000,000	$ -	$ -	5.99%	$ 200,300,494	Y	N	N
		MediaTek China Limited	A	$ 80,120,198 (Note 1)	$ 9,000,000	$ 9,000,000	$ -	$ -	2.25%		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. AND SUBSIDIARIES

SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)

For the year ended December 31, 2025

Attachment 3

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	December 31, 2025				
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership(%)	Fair Value (Note 3)	Note
Financial assets mandatorily measured at fair value through profit or loss- current	Linked Deposits	JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD 17,630	-	USD 17,630	-
	Bonds	Ennoconn Corporation	Hsiang Fa Co.	-	$ 1,242,412	-	$ 1,242,412	-
Financial assets mandatorily measured at fair value through profit or loss- noncurrent	Trust Funds	Trust Funds	MediaTek USA Inc.	-	USD 81,921	-	USD 81,921	-
	Bonds	Carsome Group Convertible Promissory Note	MTKC Global Holdings Co. Limited	-	USD 12,737	-	USD 12,737	-
Debt instrument investments measured at fair value through other comprehensive income- current	Bonds	Taiwan Semiconductor Manufacturing Co., Ltd.	Hsu Zhan (HK) Investment Limited	-	USD 19,703	-	USD 19,703	-
Equity instrument investments measured at fair value through other comprehensive income- current	Stocks	CHUNGHWA PRECISION TEST TECH. CO., LTD.	Hsiang Fa Co.	176,000	$ 402,160	1%	$ 402,160	-
		Andes Technology Corporation	Hsiang Fa Co.	3,249,324	$ 779,838	6%	$ 779,838	-
		Shenzhen Goodix Technology Co., Ltd.	Gold Rich International (HK) Limited	13,126,705	USD 142,627	3%	USD 142,627	-
Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Stocks	Aeonsemi, Inc.	Digimoc Holdings Limited	1,417,657	USD 18,592	6%	USD 18,592	-
		AutoX, Inc.	Digimoc Holdings Limited	55,009,500	USD 80,864	3%	USD 80,864	-
		ITH Corporation	Gaintech Co. Limited	53,889,085	USD 66,892	11%	USD 66,892	-
		Scaleflux Inc.	Cloud Ranger Limited	2,096,587	USD 17,475	2%	USD 17,475	-
		Transsnet FinTech Group	MTKC Global Holdings Co. Limited	14,256,620	USD 10,265	2%	USD 10,265	-
		TRANSSNET TECHNOLOGY INC.	Cloud Ranger Limited	1,970,316	USD 10,730	8%	USD 10,730	-
		ALCHIP TECHNOLOGIES, INC.	MediaTek Capital Co.	450,000	$ 1,374,453	1%	$ 1,374,453	-
		Taishin Financial Holding Co., Ltd. exchangeable preferred stock	MediaTek Inc.	25,325,000	$ 419,129	0%	$ 419,129	-
		FUBON Financial Holding Co., Ltd., Preferred Stock C	MediaTek Inc.	7,056,243	$ 376,803	0%	$ 376,803	-
		FUBON Financial Holding Co., Ltd., Preferred Stock B	MediaTek Inc.	15,000,000	$ 925,500	0%	$ 925,500	-
		Maxone Semiconductor (Suzhou) Co., Ltd.	Lepower (HK) Limited	2,474,300	CNY 444,780	2%	CNY 444,780	-
		WT Microelectronics Preferred Stock A	MediaTek Inc.	8,241,000	$ 423,587	1%	$ 423,587	-
		Shenzhen Transsion Holding Co., Ltd.	Digimoc Holdings Limited	71,573,109	USD 677,252	6%	USD 677,252	-
		Vastai Technologies (Shanghai) Inc.	MTKC Global Holdings Co. Limited	4,252,861	USD 16,024	1%	USD 16,024	-
		MediaTek Inc.	Hsiang Fa Co.	7,794,085	$ 11,145,542	0%	$ 11,145,542	1
		AI Speech Co., Ltd.	MediaTek (Beijing) Inc.	4,638,600	CNY 75,907	1%	CNY 75,907	-
	Capital	Achi Capital Partners Fund LP	Digimoc Holdings Limited	-	USD 72,506	-	USD 72,506	-
		Celesta Capital III, L.P.	Digimoc Holdings Limited	-	USD 9,883	-	USD 9,883	-
		HOPU USD Master Fund III, L.P.	Gaintech Co. Limited	-	USD 33,887	-	USD 33,887	-
		Walden Technology Venture II,L.P.	Gaintech Co. Limited	-	USD 11,985	-	USD 11,985	-
		Walden Technology Ventures III, L.P.	Gaintech Co. Limited	-	USD 38,532	-	USD 38,532	-
		Shanghai UniVista Industrial Software Group Co., Ltd.	MediaTek (Shenzhen) Inc.	-	CNY 84,818	-	CNY 84,818	-
		Shanghai Summit View Pujiang Equity Investment Limited Partnership II	MediaTek (Shanghai) Inc.	-	CNY 168,411	-	CNY 168,411	-
		Shanghai Summitview IC M AND A Investment Limited partnership	Gaintech Co. Limited	-	USD 90,431	-	USD 90,431	-
		Shanghai Walden Venture Capital Enterprise	Gaintech Co. Limited	-	USD 57,564	-	USD 57,564	-
		Nanjing AutoAI Technology Co., Ltd.	MediaTek (Shenzhen) Inc.	-	CNY 368,011	-	CNY 368,011	-
		Kun Qiao (Shenzhen) Semiconductor Industry Equity Investment Fund	Hefei Xuhui Management Consulting Co. Ltd.	-	CNY 420,365	-	CNY 420,365	-
		Kun Qiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (L.P.)	Hefei Xuhui Management Consulting Co. Ltd.	-	CNY 264,979	-	CNY 264,979	-
		Hebei Changjiang Nio new energy industry investment fund partnership firm (limited partnership)	MediaTek (Beijing) Inc.	-	CNY 194,940	-	CNY 194,940	-

(To be continued)

(Continued)

MEDIATEK INC. AND SUBSIDIARIES
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2025

Attachment 3

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	December 31, 2025				
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership(%)	Fair Value (Note 3)	Note
Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Capital	AaltoSemi Inc.	Lepower (HK) Limited	-	CNY 95,648	-	CNY 95,648	-
	Funds	Fund issued by Cathay Financial Holdings Co., Ltd	MediaTek Inc.	-	$ 2,020,075	-	$ 2,020,075	-
		Fund issued by Fubon Financial Holding Co., Ltd.	MediaTek Inc.	-	$ 332,639	-	$ 332,639	-
Financial assets measured at amortized cost- current	Bonds	Commonwealth Bank of Australia	Hsu Zhan (HK) Investment Limited	-	USD 17,869	-	USD 17,088	-
		JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD 19,800	-	USD 20,147	-
		National Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY 150,000	-	CNY 149,984	-
		Sumitomo Mitsui Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD 18,808	-	USD 17,853	-
		Westpac Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD 13,894	-	USD 13,258	-
Financial assets measured at amortized cost- noncurrent	Bonds	Advanced Micro Devices, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 17,101	-	USD 16,739	-
		Amazon.com, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 43,058	-	USD 41,824	-
		Bank of America Corporation	Hsu Fa (Samoa) Investment Ltd.	-	CNY 667,000	-	CNY 671,912	-
		Bank of America Corporation	Hsu Zhan (HK) Investment Limited	-	USD 178,459	-	USD 173,977	-
		BNP Paribas	Hsu Zhan (HK) Investment Limited	-	USD 49,445	-	USD 48,765	-
		Cathay Life Insurance.	Hsu Zhan (HK) Investment Limited	-	USD 30,000	-	USD 31,842	-
		Citigroup Inc.	Hsu Zhan (HK) Investment Limited	-	USD 147,399	-	USD 146,724	-
		Crédit Agricole	Hsu Fa (Samoa) Investment Ltd.	-	CNY 298,000	-	CNY 298,151	-
		Crédit Agricole	Hsu Zhan (HK) Investment Limited	-	USD 37,329	-	USD 37,284	-
		Foxconn Technology Group	Hsu Zhan (HK) Investment Limited	-	USD 17,564	-	USD 17,917	-
		Fubon Life Insurance Co., Ltd.	MediaTek Inc.	-	$ 490,000	-	$ 490,309	-
		HSBC Holdings plc	Hsu Zhan (HK) Investment Limited	-	USD 19,762	-	USD 19,703	-
		ING Group, N.V.	Hsu Zhan (HK) Investment Limited	-	USD 9,860	-	USD 9,650	-
		International Business Machines Corporation	Hsu Zhan (HK) Investment Limited	-	USD 88,964	-	USD 87,326	-
		JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD 254,300	-	USD 257,405	-
		KGI Securities Co., Ltd.	MediaTek Inc.	-	$ 580,000	-	$ 576,932	-
		Mitsubishi UFJ Financial Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 95,255	-	USD 92,388	-
		Mizuho Financial Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 139,965	-	USD 136,672	-
		Morgan Stanley	Hsu Zhan (HK) Investment Limited	-	USD 264,134	-	USD 259,231	-
		National Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY 1,252,000	-	CNY 1,275,090	-
		National Bank of Canada	Hsu Zhan (HK) Investment Limited	-	USD 18,000	-	USD 18,000	-
		NVIDIA CORP	Hsu Zhan (HK) Investment Limited	-	USD 24,609	-	USD 23,288	-
		Royal Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY 561,000	-	CNY 570,219	-
		Royal Bank of Canada	Hsu Zhan (HK) Investment Limited	-	USD 126,962	-	USD 127,232	-
		Sumitomo Mitsui Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD 63,962	-	USD 62,156	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	Hsu Zhan (HK) Investment Limited	-	USD 77,531	-	USD 74,323	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	MediaTek Inc.	-	$ 600,386	-	$ 597,188	2
		The Bank of Nova Scotia	Hsu Zhan (HK) Investment Limited	-	USD 121,855	-	USD 121,557	-
		The Goldman Sachs Group, Inc.	Hsu Fa (Samoa) Investment Ltd.	-	CNY 395,000	-	CNY 404,991	-
		The Goldman Sachs Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 77,314	-	USD 76,752	-

(To be continued)

(Continued)

MEDIATEK INC. AND SUBSIDIARIES

SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)

For the year ended December 31, 2025

Attachment 3

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	December 31, 2025				
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership(%)	Fair Value (Note 3)	Note
Financial assets measured at amortized cost- noncurrent	Bonds	UBS Group AG	Hsu Zhan (HK) Investment Limited	-	USD 9,831	-	USD 9,888	-
		Wells Fargo & Company	Hsu Zhan (HK) Investment Limited	-	USD 73,975	-	USD 73,345	-
		Westpac Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD 18,959	-	USD 18,788	-

Note 1: Ultimate parent entity.

Note 2: 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 3: Financial assets measured at fair value through other comprehensive income and Financial assets measured at fair value through profit or loss shall measure at fair value, therefore the carrying amount equals to the fair value.

MEDIATEK INC. AND SUBSIDIARIES
RELATED PARTY TRANSACTIONS FOR PURCHASES AND SALES AMOUNTS EXCEEDING THE LOWER OF NT$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2025

Attachment 4

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

Company Name	Counter-party	Relationship	Transaction Details				Details of Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	Percentage of Total Purchases/ Sales	Payment Term			Ending Balance	Percentage of Total Notes/Trade Receivables (Payables)	
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	Sales (Note 1)	$ 6,623,654	1.98%	Charged by a certain period	-	-	$ 504,726	1.50%	-
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	Sales (Note 2)	$ 215,284	0.06%	Charged by a certain period	-	-	$ 197,908	0.59%	-
MediaTek Inc.	Richtek Technology Corp.	Subsidiary	Purchases	$ 746,380	0.52%	30 days	-	-	$ (215,869)	(0.69)%	
MediaTek Singapore Pte. Ltd.	HFI Innovation Inc.	Same Parent Company	Sales (Note 3)	USD 4,944	0.07%	30 days	-	-	USD -	-	-
MediaTek Inc.	Intelligo Technology Inc.	Associate	Sales	$ 318,987	0.10%	30 days	-	-	$ 24,117	0.07%	-
MediaTek Inc.	King Yuan Electronics Co., Ltd	Substantive related party	IC testing, experimental services, and manufacturing technology services	$ 5,066,774	-	75 days	-	-	$ (1,699,572)	(5.42)%	-
MediaTek Singapore Pte. Ltd.	King Yuan Electronics Co., Ltd	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 77,748	-	75 days	-	-	USD (19,689)	(4.25)%	-
Airoha Technology Corp.	King Yuan Electronics Co., Ltd	Substantive related party	IC testing, experimental services, and manufacturing technology services	$ 831,110	-	75 days	-	-	$ (193,361)	(12.29)%	-
Airoha Technology Corp.	ASIX Electronics Corporation	Associate	Sales	$ 267,054	1.50%	30 days	-	-	$ 18,530	0.87%	-

Note 1: mainly license revenues
Note 2: mainly technical services revenues
Note 3: mainly IP revenues

MEDIATEK INC. AND SUBSIDIARIES
RECEIVABLES FROM RELATED PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF NT$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
As of December 31, 2025

Attachment 5

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Counter-party	Relationship	Ending Balance of Notes/Trade Receivables from Related Party		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Doubtful Debts
						Amount	Action Taken		
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	$ 197,911	(Note1)	-	$ -	-	$ 141	$ -
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	$ 516,622	(Note1)	-	$ -	-	$ 505,391	$ -
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Subsidiary	$ 4,716,600	(Note3 and Note4)	-	$ -	-	$ -	$ -
MediaTek Inc.	Mediatek Communication (Heifei) Co., Ltd.	Subsidiary	$ 489,250	(Note1)	-	$ -	-	$ -	$ -
MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	Subsidiary	$ 31,310,927	(Note2)	-	$ -	-	$ -	$ -
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	Subsidiary	$ 4,716,600	(Note3)	-	$ -	-	$ -	$ -
Digimoc Holdings Limited	Gaintech Co. Limited	Subsidiary	$ 3,383,374	(Note2)	-	$ -	-	$ -	$ -
MediaTek Bangalore Private Limited	MediaTek Inc.	Subsidiary	$ 230,577	(Note1)	-	$ -	-	$ 230,577	$ -
Gaintech Co. Limited	MediaTek Inc.	Subsidiary	$ 65,717,960	(Note2)	-	$ -	-	$ -	$ -
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Subsidiary	$ 220,108	(Note2)	-	$ -	-	$ -	$ -
Gaintech Co. Limited	MTK Wireless Limited	Subsidiary	$ 974,764	(Note2)	-	$ -	-	$ -	$ -
Cloud Ranger Limited	Gaintech Co. Limited	Subsidiary	$ 786,100	(Note2)	-	$ -	-	$ -	$ -
MediaTek India Technology Pvt. Ltd.	MediaTek Inc.	Subsidiary	$ 118,672	(Note1)	-	$ -	-	$ 118,672	$ -
MediaTek Korea Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	$ 114,221	(Note1)	-	$ -	-	$ 114,221	$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Subsidiary	$ 314,804	(Note2)	-	$ -	-	$ -	$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	$ 629,608	(Note2)	-	$ -	-	$ -	$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	Subsidiary	$ 1,079,328	(Note2)	-	$ -	-	$ -	$ -
MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Subsidiary	$ 3,186,849	(Note2)	-	$ -	-	$ 147,787	$ -
Hsu Zhan (HK) Investment Limited	Gaintech Co. Limited	Subsidiary	$ 6,078,711	(Note2)	-	$ -	-	$ -	$ -
Lepower (HK) Limited	Gaintech Co. Limited	Subsidiary	$ 847,533	(Note2)	-	$ -	-	$ -	$ -
Gold Rich International (HK) Limited	Gaintech Co. Limited	Subsidiary	$ 638,688	(Note2)	-	$ -	-	$ -	$ -
MTK Wireless Limited	MediaTek Inc.	Subsidiary	$ 111,449	(Note1)	-	$ -	-	$ -	$ -
MediaTek USA Inc.	MediaTek Inc.	Subsidiary	$ 1,346,865	(Note1)	-	$ -	-	$ 1	$ -
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	$ 253,903	(Note1)	-	$ -	-	$ -	$ -
Hsiang Fa Co.	MediaTek Capital Co.	Subsidiary	$ 852,499	(Note2)	-	$ -	-	$ -	$ -
Hsiang Fa Co.	Chingis Technology Corp.	Subsidiary	$ 200,000	(Note4)	-	$ -	-	$ -	$ -
Richtek Technology Corp.	MediaTek Inc.	Subsidiary	$ 215,869	(Note1)	-	$ -	-	$ 160,905	$ -
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	$ 359,559	(Note1)	-	$ -	-	$ 153,693	$ -
Airoha Technology (Suzhou) Limited	Airoha Technology Corp.	Subsidiary	$ 171,430	(Note1)	-	$ -	-	$ 171,430	$ -

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.

Note 4: Capital return (recorded in other receivables) mainly

MEDIATEK INC. AND SUBSIDIARIES

THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES

For the year ended December 31, 2025

Attachment 6

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transaction			
				Accounts	Amount	Transaction Terms	Percentage of Consolidated Net Sales or Total Assets (Note 3)
0	MediaTek Inc.	Airoha Technology Corp.	A	Trade payables to related party	$ 359,559	By contract	0.05%
0	MediaTek Inc.	Richtek Technology Corp.	A	Purchases	$ 746,380		0.13%
0	MediaTek Inc.	MediaTek Singapore Pte. Ltd.	A	Trade receivables from related party	$ 504,726		0.07%
0	MediaTek Inc.	MediaTek Singapore Pte. Ltd.	A	Operating revenue	$ 6,623,654		1.11%
0	MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	A	Other receivables from related party	$ 4,716,600		0.63%
0	MediaTek Inc.	MediaTek Bangalore Private Limited	A	Research and development expenses	$ 3,099,172		0.52%
0	MediaTek Inc.	Gaintech Co. Limited	A	Long-term payables to related party	$ 65,717,960		8.84%
0	MediaTek Inc.	MediaTek India Technology Pvt. Ltd.	A	Research and development expenses	$ 1,162,479		0.20%
0	MediaTek Inc.	Mediatek Communication (Heifei) Co., Ltd.	A	Other receivables from related party	$ 311,299		0.04%
0	MediaTek Inc.	MTK Wireless Limited	A	Research and development expenses	$ 1,034,414		0.17%
0	MediaTek Inc.	MediaTek USA Inc.	A	Other payables to related party	$ 1,346,865		0.18%
0	MediaTek Inc.	MediaTek USA Inc.	A	Research and development expenses	$ 13,777,507		2.31%
0	MediaTek Inc.	MediaTek North America Inc.	A	Selling expenses	$ 1,004,524		0.17%
1	MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	C	Other receivables from related party	$ 31,310,927		4.21%
1	MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	C	Non-operating revenue	$ 959,942		0.16%
1	MediaTek Singapore Pte. Ltd.	MediaTek Korea Inc.	C	Research and development expenses	$ 1,030,866		0.17%
1	MediaTek Singapore Pte. Ltd.	MediaTek Wireless Finland Oy	C	Research and development expenses	$ 1,267,412		0.21%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Heifei) Inc.	C	Research and development expenses	$ 3,017,362		0.51%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Beijing) Inc.	C	Research and development expenses	$ 3,316,325		0.56%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Shenzhen) Inc.	C	Research and development expenses	$ 4,449,561		0.75%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Chengdu) Inc.	C	Research and development expenses	$ 1,759,064		0.30%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Wuhan) Inc.	C	Research and development expenses	$ 760,382		0.13%
1	MediaTek Singapore Pte. Ltd.	MediaTek (Shanghai) Inc.	C	Research and development expenses	$ 2,029,551		0.34%
2	MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	C	Other receivables from related party	$ 4,716,600		0.63%
3	MediaTek Capital Co.	Hsiang Fa Co.	C	Other payables to related party	$ 852,499		0.11%
4	Gaintech Co. Limited	Digimoc Holdings Limited	C	Long-term payables to related party	$ 3,383,374		0.45%
4	Gaintech Co. Limited	Cloud Ranger Limited	C	Long-term payables to related party	$ 786,100		0.11%
4	Gaintech Co. Limited	MTKC Global Holdings Co. Limited	C	Long-term payables to related party	$ 3,186,849		0.43%
4	Gaintech Co. Limited	Hsu Zhan (HK) Investment Limited	C	Other payables to related party	$ 6,078,711		0.82%
4	Gaintech Co. Limited	Hsu Zhan (HK) Investment Limited	C	Non-operating expenses	$ 807,324		0.14%
4	Gaintech Co. Limited	Lepower (HK) Limited	C	Other payables to related party	$ 847,533		0.11%
4	Gaintech Co. Limited	Gold Rich International (HK) Limited	C	Other payables to related party	$ 638,688		0.09%
4	Gaintech Co. Limited	MTK Wireless Limited	C	Other receivables from related party	$ 974,764		0.13%
5	MediaTek (Chengdu) Inc.	Hsu Fa (Samoa) Investment Ltd.	C	Long-term payables to related party	$ 314,804		0.04%

(To be continued)

(Continued)

MEDIATEK INC. AND SUBSIDIARIES
THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES
For the year ended December 31, 2025

Attachment 6

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transaction			
				Accounts	Amount	Transaction Terms	Percentage of Consolidated Net Sales or Total Assets (Note 3)
6	MediaTek (Wuhan) Inc.	Hsu Fa (Samoa) Investment Ltd.	C	Long-term payables to related party	$ 629,608	By contract	0.08%
7	MediaTek (Shanghai) Inc.	Hsu Fa (Samoa) Investment Ltd.	C	Long-term payables to related party	$ 1,079,328		0.15%
8	Richtek Technology Corp.	Richtek USA Inc.	C	Research and development expenses	$ 456,363		0.08%
9	Airoha Technology Corp.	Airoha Technology (HK) Limited	C	Investment property	$ 436,155		0.06%

Note 1: MediaTek Inc. and its subsidiaries are coded as follows:
A. MediaTek Inc. is coded 0.
B. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: There are three types of relationship categorized as follows:
A. The holding companies to subsidiaries.
B. Subsidiaries to the holding companies.
C. Subsidiaries to subsidiaries.

Note 3: Percentage of consolidated operating revenues or total assets is calculated as follows: for the balance sheet accounts, the ending balance of assets or liabilities divided by consolidated total assets, or for the income statement accounts, the interim accumulated amounts divided by consolidated sales.

Note 4: The disclosure standard of above transactions between the holding company and subsidiaries are amounts exceeding NT$ 300 million, including purchases, sales, trade payables to related party and trade receivables from related party.

MEDIATEK INC. AND SUBSIDIARIES

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

For the year ended December 31, 2025

Attachment 7

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

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Inc.	Airoha Technology Corp.	Taiwan	Research, manufacturing and sales	$ 9,378,890	$ 9,378,890	111,235,745	66%	$ 14,074,499	$ 2,900,763	$ 1,918,847	1
MediaTek Inc.	IC PLUS Corp.	Taiwan	Research, manufacturing and sales	$ 300,370	$ 300,370	13,125,454	14%	$ 1,118,460	$ (58,220)	$ (18,473)	1
MediaTek Inc.	HFI Innovation Inc.	Taiwan	Intellectual property right management	$ 2,118,755	$ 2,118,755	211,875,530	100%	$ 2,357,742	$ 392,164	$ 343,571	1
MediaTek Inc.	Hsu-Yuan Investment Corp.	Taiwan	General investing	$ 2,500,000	$ 2,500,000	250,000,000	100%	$ 2,465,016	$ 13,706	$ 13,705	1
MediaTek Inc.	MStar Co., Ltd.	Seychelles	General investing	$ 526,142	$ 526,142	13,350,000	100%	$ 185,946	$ 10,879	$ 10,879	1
MediaTek Inc.	MediaTek Japan Inc.	Japan	Technical services	$ 38,558	$ 38,558	7,100	100%	$ 52,611	$ 8,179	$ 8,179	1
MediaTek Inc.	MediaTek Korea Inc.	Korea	Research	$ 192,883	$ 192,883	200,000	100%	$ 268,347	$ 63,829	$ 63,829	1
MediaTek Inc.	MediaTek Research UK Limited	United Kingdom	Research	$ 24,363	$ 24,363	280,000	100%	$ 66,534	$ 12,653	$ 12,653	1
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Singapore	General investing	$ 23,989,873	$ 28,303,703	1,440,845,498	100%	$ 209,141,601	$ 8,139,140	$ 8,139,144	1
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Singapore	Research, manufacturing and sales	$ 4,137,594	$ 4,137,594	187,513,879	100%	$ 69,948,366	$ 45,326,243	$ 45,231,805	1
MediaTek Inc.	Spidcom Technologies	France	Intellectual property right management	$ 4,722	$ 4,722	146,200	100%	$ -	$ -	$ -	1
MediaTek Inc.	MediaTek Bangalore Private Limited	India	Research	$ 581,508	$ 581,508	1,999,999	100%	$ 1,241,826	$ 488,542	$ 501,464	1
MediaTek Inc.	MediaTek Capital Co.	Taiwan	General investing	$ 19,364,634	$ 19,364,634	1,888,251,487	100%	$ 10,213,148	$ 749,501	$ 365,292	1
MediaTek Inc.	Richtek Technology Corp.	Taiwan	Research, manufacturing and sales	$ 21,221,922	$ 21,221,922	148,482,806	100%	$ 16,611,762	$ 2,617,729	$ 2,454,184	1
MediaTek Singapore Pte. Ltd.	MaiSys Design Technology SG Pte. Ltd.	Singapore	Research	USD 750	USD 750	750,001	100%	USD 614	USD (8)	-	1
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	Hong Kong	General investing	USD 507,100	USD 507,100	554,587,474	100%	USD 583,259	USD 15,925	-	1
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	Cayman Islands	General investing	USD 2,660,900	USD 2,660,900	1,123,172,524	100%	USD 6,636,064	USD 264,768	-	1
Digimoc Holdings Limited	Cloud Ranger Limited	Samoa	General investing	USD 57,662	USD 57,662	23,139,000	100%	USD 58,689	USD 32	-	1
Digimoc Holdings Limited	Gold Rich International (Samoa) Limited	Samoa	General investing	USD 448,441	USD 448,441	4,290,000	100%	USD 148,385	USD (39,200)	-	1
Digimoc Holdings Limited	MediaTek India Technology Pvt. Ltd.	India	Research	USD 0	USD 0	1	0%	USD 0	INR 506,004	-	1
Digimoc Holdings Limited	Intelligo Technology Inc.	Cayman Islands	Research, manufacturing and sales	USD 12,168	USD 3,168	6,506,162	14%	USD 25,862	USD 17,647	-	-
Digimoc Holdings Limited	M.I.F. L.P.	Cayman Islands	General investing	USD 10,500	USD -	-	32%	USD 10,376	USD (1,080)	-	-
MediaTek Capital Co.	Airoha Technology Corp.	Taiwan	Research, manufacturing and sales	$ 723,403	$ 723,403	6,000,000	4%	$ 765,655	$ 2,900,763	-	1
MediaTek Capital Co.	Hsiang Fa Co.	Taiwan	General investing	$ 16,222,537	$ 16,222,537	309,609,489	100%	$ 17,814,322	$ 621,622	-	1
MediaTek Capital Co.	IStar Technology Ltd.	Cayman Islands	General investing	$ -	$ 4,036	-	-	$ -	USD (8)	-	1 and 2
MediaTek Capital Co.	MediaTek Bangalore Private Limited	India	Research	$ 0	$ 0	1	0%	$ 0	$ 488,542	-	1
MediaTek Capital Co.	Zilltek Technology Corp.	Taiwan	Research, manufacturing and sales	$ 1,770,600	$ 1,770,600	10,000,000	18%	$ 1,842,135	$ 365,204	-	-
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	India	Research	INR 3,896,338	INR 3,896,338	5,499,999	100%	INR 2,006,402	INR 506,004	-	1
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	United Arab Emirates	Technical services	USD 14	USD 14	50	100%	USD 600	USD 16	-	1
Gaintech Co. Limited	MediaTek Global Holdings Limited	United Kingdom	General investing	USD 3,824,118	USD 3,894,118	3,824,118,214	100%	USD 4,111,936	USD 54,298	-	1
Gaintech Co. Limited	MediaTek China Limited	Hong Kong	General investing	USD 391,444	USD 391,444	3,044,078,500	100%	USD 770,079	USD 55,436	-	1
Gaintech Co. Limited	Sigmastar Technology Inc.	Cayman Islands	General investing	USD 523	USD 523	1,511,579	100%	USD 294,795	USD 8,732	-	1
Gaintech Co. Limited	MTK Wireless Limited	United Kingdom	Research	USD 166,574	USD 135,665	84,394,826	100%	USD 368,591	USD 55,945	-	1
Gaintech Co. Limited	Nephos Cayman Co. Limited	Cayman Islands	General investing	USD 113,110	USD 113,110	113,110,426	100%	USD (562)	USD 570	-	1
Gaintech Co. Limited	Smarthead Limited	Seychelles	General investing	USD 700	USD 700	700,000	100%	USD 1,976	USD 215	-	1
Gaintech Co. Limited	CMC Capital Investments, L.P.	Cayman Islands	General investing	USD 4,613	USD 4,613	-	67%	USD 1,803	USD (903)	-	-
Gaintech Co. Limited	CSVI VENTURES, L.P.	Cayman Islands	General investing	USD 19,093	USD 19,814	-	43%	USD 15,394	USD 7,024	-	-
Gaintech Co. Limited	Amobile Intelligent Corp. Limited	Hong Kong	Research, manufacturing and sales	USD -	USD 4,885	-	-	USD -	$ 60,930	-	3

(To be continued)

(Continued)

MEDIATEK INC. AND SUBSIDIARIES
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEES IN MAINLAND CHINA)
For the year ended December 31, 2025

Attachment 7

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

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
Smarthead Limited	MoMAGIC Technologies Private Limited	India	Software development	USD 500	USD 500	2,385,927	22%	USD 1,949	USD 871	-	-
MediaTek Wireless FZ-LLC	MLINK INVESTMENTS-FZCO	United Arab Emirates	General investing	AED 25,708	AED -	500	100%	AED 25,583	AED (226)	-	1 and 4
MLINK INVESTMENTS-FZCO	Mlink Egypt	Egypt	Research	AED 7	AED -	20	100%	AED (75)	AED 353	-	1 and 4
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	Hong Kong	General investing	USD 2,406,283	USD 2,406,283	2,383,399,545	100%	USD 2,503,572	USD 104,470	-	1
MediaTek Global Holdings Limited	Digimoc Holdings Limited	British Virgin Islands	General investing	USD 1,322,981	USD 1,322,981	1,550,638,880	100%	USD 1,317,675	USD (6,189)	-	1
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	British Virgin Islands	General investing	USD 355,354	USD 355,354	12	100%	USD 405,201	USD 7,484	-	1
MTKC Global Holdings Co. Limited	LePower (HK) Limited	Hong Kong	General investing	USD 81,998	USD 81,998	85,050,000	100%	USD 160,578	USD 743	-	1
MTKC Global Holdings Co. Limited	Amiti IV Quantum L.P.	United States	General investing	USD 2,000	USD 2,000	-	92%	USD 6,234	USD 4,630	-	-
Hsu Zhan (HK) Investment Limited	IStar Technology Ltd.	Cayman Islands	General investing	USD 120	USD -	50,000	100%	USD 111	USD (8)	-	1 and 2
MediaTek Investment HK Limited	Hsu Fa (Samoa) Investment Ltd.	Samoa	General investing	USD 543,969	USD 543,969	3,596,558,036	100%	USD 583,183	USD 15,930	-	1
Gold Rich International (Samoa) Limited	Gold Rich International (HK) Limited	Hong Kong	General investing	USD 4,190	USD 4,190	4,190,000	100%	USD 148,306	USD (39,200)	-	1
MTK Wireless Limited	MediaTek Wireless Finland Oy	Finland	Research	GBP 28,012	GBP 4,733	1,000	100%	GBP 38,341	GBP 2,449	-	1
MTK Wireless Limited	MStar France SAS	France	Research	GBP 22,406	GBP 22,406	458,900	100%	GBP 4,268	GBP (17)	-	1
MTK Wireless Limited	MediaTek North America Inc.	United States	Sales support and marketing services	GBP 4,079	GBP 4,079	10,000	100%	GBP 8,433	GBP 1,871	-	1
MTK Wireless Limited	MediaTek Poland sp. z o.o.	Poland	Technical services	GBP 604	GBP 604	100	100%	GBP 779	GBP 57	-	1
MTK Wireless Limited	MediaTek Sweden AB	Sweden	Research	GBP 19,362	GBP 19,362	1,008,371	100%	GBP 12,518	GBP 250	-	1
MTK Wireless Limited	MediaTek Technology USA Inc.	United States	Research	GBP 681	GBP 239	1,000	100%	GBP 640	GBP (61)	-	1
MTK Wireless Limited	MediaTek USA Inc.	United States	Research	GBP 38,800	GBP 38,800	111,815	100%	GBP 195,846	GBP 35,779	-	1
MediaTek USA Inc.	Vidaxio LLC	United States	Intellectual property right management	USD -	USD -	34	34%	USD -	USD -	-	-
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Germany	Technical services	EUR 500	EUR 500	500,000	100%	EUR 1,293	EUR 240	-	1
Hsiang Fa Co.	Chingis Technology Corporation	Taiwan	Research	$ 317,932	$ 637,932	59,936,991	100%	$ 312,443	$ 110,921	-	1
Hsiang Fa Co.	MediaTek Research Corp.	Taiwan	Research	$ 800	$ 800	80,000	100%	$ 16,321	$ 2,877	-	1
Hsiang Fa Co.	InnoFusion Technology Corp.	Taiwan	Technical services	$ 74,539	$ 74,539	112,000,000	100%	$ 1,044,280	$ (60,953)	-	1
Hsiang Fa Co.	Intelligo Technology Inc.	Cayman Islands	Research, manufacturing and sales	$ 474,950	$ 178,805	1,701,375	4%	$ 560,087	$ 546,001	-	-
Hsiang Fa Co.	CMOS-Crystal TECHNOLOGY CO., LIMITED	Taiwan	Research	$ 18,189	$ 18,189	25,001	20%	$ 15,231	$ (1,308)	-	-
Hsiang Fa Co.	Amobile Intelligent Corp. Limited	Hong Kong	Research, manufacturing and sales	$ 138,207	$ -	3,668,629	31%	$ 153,894	$ 60,930	-	3
Richtek Technology Corp.	Richnex Microelectronics Corp.	Taiwan	Research, manufacturing and sales	$ 278,032	$ 278,032	26,963,153	82%	$ 68,438	$ 20,140	-	1
Richtek Technology Corp.	Richtek Europe B.V.	Netherlands	Sales support and marketing services	$ 25,348	$ 25,348	1,500,000	100%	$ 47,370	$ 26,961	-	1
Richtek Technology Corp.	Richtek Europe Holding B.V.	Netherlands	General investing	$ -	$ 84,724	-	-	$ -	$ (24)	-	1 and 6
Richtek Technology Corp.	Richtek Holding International Limited	British Virgin Islands	General investing	$ -	$ 292,264	-	-	$ -	$ 3,281	-	1 and 5
Richtek Technology Corp.	Richtek Japan Inc.	Japan	Research and technical services	$ 41,893	$ 41,893	1,900	100%	$ 47,794	$ 7,645	-	1
Richtek Technology Corp.	Richtek Korea LLC.	Korea	Research and technical services	$ 26,696	$ 26,696	10,000	100%	$ 57,913	$ 31,612	-	1
Richtek Technology Corp.	Richtek USA, Inc.	United States	Research and technical services	$ 133,470	$ 133,470	1,000,000	100%	$ 306,207	$ 11,996	-	1
Airoha Technology Corp.	IC PLUS Corp.	Taiwan	Research, manufacturing and sales	$ 1,947,085	$ 1,947,085	28,213,800	29%	$ 1,925,220	$ (58,220)	-	1
Airoha Technology Corp.	Airoha Technology India Private Limited	India	Research	$ 37,312	$ 37,312	9,500,000	100%	$ 50,882	$ 8,716	-	1
Airoha Technology Corp.	Airoha Technology USA Inc.	United States	Research	$ 12,563	$ 12,563	10,000	100%	$ 25,953	$ 5,166	-	1
Airoha Technology Corp.	Airoha Technology (HK) Limited	Hong Kong	General investing, research, manufacturing and sales	$ 1,734,341	$ 2,214,341	31,699,433	100%	$ 3,291,524	$ 624,687	-	1
Airoha Technology Corp.	Shadow Investment Limited	Samoa	General investing	$ -	$ -	12,360,000	100%	$ 1,049	$ (42)	-	1
Airoha Technology Corp.	Airoha (Cayman) Inc.	Cayman Islands	General investing	$ 55,183	$ 55,183	4,253,337	100%	$ 245,180	$ 53,820	-	1

(To be continued)

(Continued)

MEDIATEK INC. AND SUBSIDIARIES

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

For the year ended December 31, 2025

Attachment 7

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

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
Airoha Technology Corp.	ASIX Eletronics Corporation	Taiwan	Research, manufacturing and sales	$ 495,875	$ 495,875	12,396,396	20%	$ 565,936	$ 231,505	-	-
Airoha Technology Corp.	Gear Radio Limited	Samoa	General investing	$ 137,423	$ -	9,000,000	19%	$ 137,188	$ 5,557	-	-
Airoha Technology (Suzhou) Limited	EcoNet Limited	British Virgin Islands	General investing	CNY 2,640	CNY 2,640	400,000	100%	CNY 36,873	CNY 1,521	-	1
Airoha (Cayman) Inc.	Airoha Technology India Private Limited	India	Research	USD 0	USD 0	95	0%	USD 0	USD 283	-	1

Note 1: Investee is a subsidiary in consolidated group.

Note 2: For the purpose of reorganization, the 100% ownership of Istar Technology Ltd., which was previously owned by MediaTek Capital Co., was transferred to Hsu Zhan (HK) Investment Limited in August 2025

Note 3: For the purpose of reorganization, the ownership of Amobile Intelligent Corp. Limited, which was previously owned by Gaintech Co. Limited, was transferred to Hsiang Fa Co. in September 2025.

Note 4: MediaTek Wireless FZ-LLC completed the acquisition of 100% of the shares of MLINK INVESTMENTS-FZCO in March 2025. The subsidiary originally belonging to MLINK INVESTMENTS-FZCO was included in the consolidated entity.

Note 5: For the purpose of reorganization, Richtek Holding International Limited has been liquidated in September 2025.

Note 6: For the purpose of reorganization, Richtek Europe Holding B.V. has been liquidated in December 2025.

MEDIATEK INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

For the year ended December 31, 2025

Attachment 8

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

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 3. B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2025	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Zelus (Shenzhen) Technology Ltd.	Research and sales	$ 161,937 USD 5,150	Gaintech Co. Limited	$ 163,736 USD 5,207	- -	- -	$ 163,736 USD 5,207	$ 14,048 USD 450	88%	$ 13,508 USD 433	$ 185,487 USD 5,899	- -
Mediatek Communication (Heifei) Co., Ltd.	Research, manufacturing and sales	$ 1,297,065 USD 41,250	Nephos Cayman Co. Limited	$ 3,586,196 USD 114,050	- -	- -	$ 3,586,196 USD 114,050	$ 15,982 USD 512	100%	$ 15,982 USD 512	$ (71,588) USD (2,277)	- -
MediaTek (Hefei) Inc.	Research	$ 534,548 USD 17,000	MediaTek China Limited	$ 534,548 USD 17,000	- -	- -	$ 534,548 USD 17,000	$ 203,027 USD 6,509	100%	$ 203,027 USD 6,509	$ 1,453,641 USD 46,230	- -
MediaTek (Beijing) Inc.	Research	$ 3,144,400 USD 100,000	MediaTek China Limited	$ 3,144,400 USD 100,000	- -	- -	$ 3,144,400 USD 100,000	$ 499,391 USD 16,011	100%	$ 499,391 USD 16,011	$ 5,729,798 USD 182,222	- -
MediaTek (Shenzhen) Inc.	Research	$ 2,829,960 USD 90,000	MediaTek China Limited	$ 2,829,960 USD 90,000	- -	- -	$ 2,829,960 USD 90,000	$ 513,376 USD 16,459	100%	$ 513,376 USD 16,459	$ 8,118,673 USD 258,195	- -
MediaTek (Chengdu) Inc.	Research	$ 1,565,911 USD 49,800	MediaTek China Limited	$ 1,565,911 USD 49,800	- -	- -	$ 1,565,911 USD 49,800	$ 155,462 USD 4,984	100%	$ 155,462 USD 4,984	$ 2,156,971 USD 68,597	- -
MediaTek (Wuhan) Inc.	Research	$ 760,945 USD 24,200	MediaTek China Limited	$ 522,186 USD 16,607	- -	- -	$ 522,186 USD 16,607	$ 48,004 USD 1,539	100%	$ 48,004 USD 1,539	$ 957,485 USD 30,450	- -
MediaTek (Shanghai) Inc.	Research	$ 1,335,668 CNY 297,000	MediaTek China Limited	$ 1,524,066 USD 48,469	- -	- -	$ 1,524,066 USD 48,469	$ 113,209 USD 3,630	100%	$ 113,209 USD 3,630	$ 2,919,123 USD 92,836	- -
Xuxin Investment (Shanghai) Inc.	General investing	$ 2,213,658 USD 70,400	MediaTek China Limited	$ 2,213,658 USD 70,400	- -	- -	$ 2,213,658 USD 70,400	$ 358,304 USD 11,487	100%	$ 358,304 USD 11,487	$ 3,927,489 USD 124,904	- -
Xuxi (Shanghai) Management Consulting Co., Ltd.	General investing	$ 2,181,592 CNY 485,100	Xuxin Investment (Shanghai) Inc.	$ 1,951,820 USD 62,073	$ 216,559 USD 6,887	- -	$ 2,168,379 USD 68,960	$ 355,254 CNY 81,926	100%	$ 355,254 CNY 81,926	$ 3,688,655 CNY 820,212	- -
Hefei Xuhui Management Consulting Co., Ltd.	General investing	$ 2,181,142 CNY 485,000	Xuxi (Shanghai) Management Consulting Co., Ltd.	$ 1,951,385 USD 62,059	$ 216,559 USD 6,887	- -	$ 2,167,944 USD 68,946	$ 355,327 CNY 81,942	100%	$ 355,327 CNY 81,942	$ 3,688,539 CNY 820,186	- -
MStar Software R&D (Shenzhen), Ltd.	Technical services	$ 943,320 USD 30,000	MStar Co., Ltd.	$ 943,320 USD 30,000	- -	- -	$ 943,320 USD 30,000	$ 4,707 USD 151	100%	$ 4,707 USD 151	$ 546,635 USD 17,384	- -
Vanchip (Tianjin) Technology Co., Ltd.	Research, manufacturing and sales	$ 1,918,942 CNY 426,697	Gaintech Co. Limited	$ 1,257,760 USD 40,000	- -	- -	$ 1,257,760 USD 40,000	$ 148,413 USD 4,758	24%	$ 54,219 USD 1,738	$ 4,614,564 USD 146,755	- -
SigmaStar Technology Ltd.	Research, manufacturing and sales	$ 1,896,538 CNY 421,715	Sigmastar Technology Inc.	$ 62,888 USD 2,000	- -	- -	$ 62,888 USD 2,000	$ 1,022,002 USD 32,766	29%	$ 309,908 USD 9,936	$ 10,082,115 USD 320,637	- -
Shanghai KQC Financial Management	General investing	$ 148,408 CNY 33,000	Xuxin Investment (Shanghai) Inc.	$ 30,716 USD 977	- -	- -	$ 30,716 USD 977	$ (1) CNY (0)	20%	$ (0) CNY (0)	$ 29,681 CNY 6,600	- -
Li-We Technology Corp.	Technical services	$ 78,610 USD 2,500	Richtek Technology Corp.	$ 78,610 USD 2,500	- -	- -	$ 78,610 USD 2,500	$ 11,666	100%	$ 11,666	$ 102,188	- -
Richpower Microelectronics Co., Ltd.	Technical services	$ 100,621 USD 3,200	Richtek Technology Corp.	$ 100,621 USD 3,200	- -	- -	$ 100,621 USD 3,200	$ 4,499	100%	$ 4,499	$ 43,973	- -
Airoha Technology (Suzhou) Limited	Research, manufacturing and sales	$ 314,440 USD 10,000	Airoha Technology (HK) Limited	$ 314,440 USD 10,000	- -	- -	$ 314,440 USD 10,000	$ 447,117 USD 14,335	70%	$ 312,937 USD 10,033	$ 3,270,336 USD 104,005	$ 7,240,131 USD 230,255

(To be continued)

(Continued)

MEDIATEK INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

For the year ended December 31, 2025

Attachment 8

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

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 3. B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2025	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Airotek (Shenzhen) Inc.	Research and technical services	$ 29,872	Airoha (Cayman) Inc.	$ 29,872	-	-	$ 29,872	$ 25,558	70%	$ 17,888	$ 108,906	-
		USD 950		USD 950	-	-	USD 950	USD 819		USD 573	USD 3,463	
Airotek (Chengdu) Inc.	Research	$ 29,872	Airoha (Cayman) Inc.	$ 29,872	-	-	$ 29,872	$ 28,746	70%	$ 20,119	$ 122,517	-
		USD 950		USD 950	-	-	USD 950	USD 922		USD 645	USD 3,896	

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$ 23,269,083	$ 29,566,744	$ 240,360,593
USD 740,016	USD 940,298	

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

Note 2: Recognized in financial statements audited by the auditors of the parent company in Taiwan.

Note 3: 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 4: 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=31.19125 NTD; 1 CNY=4.3363 NTD).
Other amounts are converted by the exchange rate at reporting date. (1 USD=31.444 NTD; 1 CNY=4.4972 NTD)

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

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

WITH

REPORT OF INDEPENDENT ACCOUNTANTS

FOR THE YEARS ENDED

DECEMBER 31, 2024 AND 2023

Notice to Readers

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

REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2024 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as "Combined Financial Statements"). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of Combined Financial Statements than the Consolidated Financial Statements.

Very truly yours,

MediaTek Inc.

Chairman: Ming-Kai Tsai

February 27, 2025

安永聯合會計師事務所

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English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To the Board of Directors and Shareholders
of MediaTek Inc.

Opinion

We have audited the accompanying consolidated balance sheets of MediaTek Inc. and its subsidiaries as of December 31, 2024 and 2023, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MediaTek Inc. and its subsidiaries as of December 31, 2024 and 2023, and their consolidated financial performance and cash flows for the years ended December 31, 2024 and 2023, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Building a better working world

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

MediaTek Inc. and its subsidiaries recognized NT$530,585,886 thousand as net sales, which includes sale of goods in the amount of NT$522,257,791 thousand and services and other operating revenues in the amount of NT$8,328,095 thousand for the year ended December 31, 2024. Main source of revenue comes from sales of chips. Due to the fact that the product portfolio and the pricing methods are varied and sales discounts are usually directly included or indirectly implied in purchase orders or in practice, it is necessary for the Company to judge and determine the performance obligation of a contract, the timing of its satisfaction, and the estimate of the variable considerations. As a result, we determined the matter to be a key audit matter.

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of MediaTek Inc. and its subsidiaries.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of MediaTek Inc. and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause MediaTek Inc. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within MediaTek Inc. and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of MediaTek Inc. as of and for the years ended December 31, 2024 and 2023.

Hsu, Hsin-Min

Huang, Chien-Che

Ernst & Young, Taiwan
February 27, 2025

Notice to Readers

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

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

As of December 31, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2024	%	December 31, 2023	%
Current assets					
Cash and cash equivalents	4, 6(1)	$ 203,695,892	29	$ 165,396,010	26
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	5,271,003	1	5,671,167	1
Financial assets at fair value through other comprehensive income-current	4, 5, 6(3)	6,266,087	1	6,040,475	1
Financial assets measured at amortized cost-current	4, 5, 6(4)	4,390,824	1	3,565,531	-
Notes receivable, net	6(22)	-	-	3,142	-
Trade receivables, net	4, 5, 6(5), 6(22)	43,944,786	6	55,049,729	9
Trade receivables from related parties, net	4, 5, 6(5), 6(22), 7	40,666	-	53,462	-
Finance lease receivables, net	4, 6(22), 6(23)	727,892	-	727,892	-
Other receivables	6(6)	7,056,968	1	4,807,004	1
Current tax assets	4, 5, 6(30)	1,574,062	-	222,054	-
Inventories	4, 5, 6(7)	58,414,245	8	43,220,266	7
Prepayments	6(8), 9	15,865,797	2	5,193,532	1
Other current assets	9	3,777,240	1	938,504	-
Total current assets		351,025,462	50	290,888,768	46
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	4,528,285	1	4,871,348	1
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	74,233,421	11	72,400,861	12
Financial assets measured at amortized cost-noncurrent	4, 5, 6(4), 8	72,942,395	11	55,580,529	9
Investments accounted for using the equity method	4, 6(9)	18,266,368	3	17,153,100	3
Property, plant and equipment	4, 6(10)	56,917,043	8	53,291,265	8
Right-of-use assets	4, 6(23)	8,918,559	1	8,597,305	1
Investment property, net	4, 6(11)	2,554,285	-	2,221,916	-
Intangible assets	4, 6(12), 6(13), 7	82,257,042	12	81,244,768	13
Deferred tax assets	4, 5, 6(30)	14,390,228	2	14,663,824	2
Refundable deposits	9	2,555,165	-	7,201,684	1
Long-term finance lease receivables, net	4, 6(22), 6(23)	-	-	727,892	-
Net defined benefit assets-noncurrent	4, 6(17)	40,679	-	26,265	-
Other non-current assets-others	9	9,238,598	1	26,168,969	4
Total non-current assets		346,842,068	50	344,149,726	54
Total assets		$ 697,867,530	100	$ 635,038,494	100

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
As of December 31, 2024 and 2023
(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2024	%	December 31, 2023	%
Current liabilities					
Short-term borrowings	6(14)	$ 940,000	-	$ 2,200,000	-
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	4,229	-	301,675	-
Contract liabilities-current	4, 5, 6(21), 7	4,318,428	1	3,376,759	1
Trade payables		38,735,333	5	36,859,388	6
Trade payables to related parties	7	2,041,173	-	1,919,652	-
Other payables	6(15)	110,342,579	16	91,653,105	15
Other payables to related parties	7	61,710	-	108,629	-
Current tax liabilities	4, 5, 6(30)	13,059,756	2	15,011,015	2
Lease liabilities-current	4, 6(23)	995,267	-	837,485	-
Current portion of long-term liabilities		7,979,049	1	5,626,183	1
Other current liabilities	4, 5, 6(16)	88,424,802	13	74,105,113	12
Total current liabilities		266,902,326	38	231,999,004	37
Non-current liabilities					
Long-term payables		2,681,442	-	4,604,807	1
Net defined benefit liabilities-noncurrent	4, 6(17)	534,237	-	620,770	-
Deposits received	7	196,400	-	211,796	-
Deferred tax liabilities	4, 5, 6(30)	10,556,716	2	8,452,479	1
Lease liabilities-noncurrent	4, 6(23)	8,375,041	1	8,060,351	1
Other non-current liabilities-others	4, 6(18), 9	3,566,021	1	6,883,929	1
Total non-current liabilities		25,909,857	4	28,834,132	4
Total liabilities		292,812,183	42	260,833,136	41
Equity attributable to owners of the parent					
Share capital	6(19)				
Common stock		16,016,880	2	15,996,475	3
Capital surplus	6(19), 6(20), 6(33)	31,636,053	5	28,350,438	4
Retained earnings	6(19)				
Legal reserve		89,308,524	13	75,782,948	12
Undistributed earnings		210,598,743	30	212,669,736	33
Other equity	6(20)	49,122,847	7	35,462,155	6
Treasury shares	4, 6(19)	(55,970)	-	(55,970)	-
Equity attributable to owners of the parent		396,627,077	57	368,205,782	58
Non-controlling interests	4, 6(19), 6(33)	8,428,270	1	5,999,576	1
Total equity		405,055,347	58	374,205,358	59
Total liabilities and equity		$ 697,867,530	100	$ 635,038,494	100

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2024 and 2023

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

Description	Notes	2024	%	2023	%
Net sales	4, 5, 6(21), 7	$ 530,585,886	100	$ 433,446,330	100
Operating costs	4, 5, 6(7), 6(24), 7	(267,200,185)	(50)	(226,079,292)	(52)
Gross profit		263,385,701	50	207,367,038	48
Operating expenses	6(22), 6(23), 6(24), 7				
Selling expenses		(17,089,713)	(4)	(14,423,677)	(3)
Administrative expenses		(11,946,997)	(2)	(9,703,256)	(2)
Research and development expenses		(131,993,135)	(25)	(111,384,930)	(26)
Expected credit impairment gains (losses)		56,111	-	(55,669)	-
Total operating expenses		(160,973,734)	(31)	(135,567,532)	(31)
Operating income		102,411,967	19	71,799,506	17
Non-operating income and expenses					
Interest income	4, 6(25)	11,149,734	2	7,307,831	2
Other income	4, 6(26), 7	3,934,113	1	6,700,758	1
Other gains and losses	4, 6(27)	1,959,681	-	1,095,336	-
Finance costs	6(28)	(453,291)	-	(399,373)	-
Share of profit of associates and joint ventures accounted for using the equity method	4, 6(9)	516,576	-	278,384	-
Total non-operating income and expenses		17,106,813	3	14,982,936	3
Net income before income tax		119,518,780	22	86,782,442	20
Income tax expense	4, 5, 6(30)	(12,378,157)	(2)	(9,591,498)	(2)
Net income		107,140,623	20	77,190,944	18
Other comprehensive income	4, 6(9), 6(17), 6(19), 6(29), 6(30)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plan		84,794	-	134,517	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(2,088,221)	-	8,383,303	2
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(718)	-	(341,870)	-
Income tax relating to those items not to be reclassified to profit or loss		150,917	-	(123,667)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		17,212,011	3	(1,083,346)	-
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		14,028	-	15,216	-
Share of other comprehensive income of associates and joint ventures accounted for using the equity method		(177,166)	-	(201,278)	-
Other comprehensive income, net of tax		15,195,645	3	6,782,875	2
Total comprehensive income		$ 122,336,268	23	$ 83,973,819	20
Net income for the periods attributable to :					
Owners of the parent	6(31)	$ 106,386,578		$ 76,978,637	
Non-controlling interests	6(19)	754,045		212,307	
		$ 107,140,623		$ 77,190,944	
Total comprehensive income for the periods attributable to :					
Owners of the parent		$ 121,555,605		$ 83,781,837	
Non-controlling interests		780,663		191,982	
		$ 122,336,268		$ 83,973,819	
Basic Earnings Per Share (in New Taiwan Dollars)	6(31)	$ 66.92		$ 48.51	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(31)	$ 66.78		$ 48.34	

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars)

Description	Equity attributable to owners of the parent										Non-controlling interests	Total equity
	Share capital		Capital surplus	Retained earnings		Other equity			Treasury shares	Equity attributable to owners of the parent		
	Common stock	Capital collected in advance		Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others				
Balance as of January 1, 2023	$ 15,994,353	$ 113	$ 47,185,281	$ 62,058,498	$ 286,688,675	$ 7,359,676	$ 23,079,555	$ (2,200,891)	$ (55,970)	$ 440,109,290	$ 2,948,949	$ 443,058,239
Distribution of earnings:												
Legal reserve	-	-	-	13,724,450	(13,724,450)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(138,529,355)	-	-	-	-	(138,529,355)	-	(138,529,355)
Total	-	-	-	13,724,450	(152,253,805)	-	-	-	-	(138,529,355)	-	(138,529,355)
Cash dividends distributed from capital surplus	-	-	(22,395,132)	-	-	-	-	-	-	(22,395,132)	-	(22,395,132)
Profit for the year ended December 31, 2023	-	-	-	-	76,978,637	-	-	-	-	76,978,637	212,307	77,190,944
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	106,934	(1,251,022)	7,947,288	-	-	6,803,200	(20,325)	6,782,875
Total comprehensive income	-	-	-	-	77,085,571	(1,251,022)	7,947,288	-	-	83,781,837	191,982	83,973,819
Share-based payment transactions	2,273	(113)	81,354	-	-	-	-	-	-	83,514	123,999	207,513
Adjustments due to dividends that subsidiaries received from parent company	-	-	592,402	-	-	-	-	-	-	592,402	-	592,402
Changes in associates and joint ventures accounted for using the equity method	-	-	32,879	-	-	-	-	-	-	32,879	4,453	37,332
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(2,356,639)	-	-	-	-	-	-	(2,356,639)	(612,082)	(2,968,721)
Changes in ownership interests in subsidiaries	-	-	5,061,315	-	-	-	-	-	-	5,061,315	3,856,274	8,917,589
Issuance of restricted stock for employees	(151)	-	107,552	-	9,537	-	-	1,667,307	-	1,784,245	-	1,784,245
Changes in other capital surplus	-	-	41,426	-	-	-	-	-	-	41,426	-	41,426
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	1,139,758	-	(1,139,758)	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	(513,999)	(513,999)
Balance as of December 31, 2023	15,996,475	-	28,350,438	75,782,948	212,669,736	6,108,654	29,887,085	(533,584)	(55,970)	368,205,782	5,999,576	374,205,358
Distribution of earnings:												
Legal reserve	-	-	-	13,525,576	(13,525,576)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(95,077,504)	-	-	-	-	(95,077,504)	-	(95,077,504)
Total	-	-	-	13,525,576	(108,603,080)	-	-	-	-	(95,077,504)	-	(95,077,504)
Profit for the year ended December 31, 2024	-	-	-	-	106,386,578	-	-	-	-	106,386,578	754,045	107,140,623
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	68,416	17,005,504	(1,904,893)	-	-	15,169,027	26,618	15,195,645
Total comprehensive income	-	-	-	-	106,454,994	17,005,504	(1,904,893)	-	-	121,555,605	780,663	122,336,268
Adjustments due to dividends that subsidiaries received from parent company	-	-	428,674	-	-	-	-	-	-	428,674	-	428,674
Changes in associates and joint ventures accounted for using the equity method	-	-	327,309	-	-	-	-	-	-	327,309	916	328,225
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(177,867)	-	-	-	-	-	-	(177,867)	(43,661)	(221,528)
Changes in ownership interests in subsidiaries	-	-	112,798	-	-	-	-	-	-	112,798	(73,469)	39,329
Issuance of restricted stock for employees	20,405	-	2,585,863	-	22,840	-	-	(1,385,666)	-	1,243,442	-	1,243,442
Changes in other capital surplus	-	-	8,838	-	-	-	-	-	-	8,838	-	8,838
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	54,253	-	(54,253)	-	-	-	-	-
Non-controlling interests	-	-	-	-	-	-	-	-	-	-	1,764,245	1,764,245
Balance as of December 31, 2024	$ 16,016,880	$ -	$ 31,636,053	$ 89,308,524	$ 210,598,743	$ 23,114,158	$ 27,927,939	$ (1,919,250)	$ (55,970)	$ 396,627,077	$ 8,428,270	$ 405,055,347

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

English Translation of Financial Statements Originally Issued in Chinese

MEDIATEK INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31, 2024 and 2023

(Amounts in thousands of New Taiwan Dollars)

Description	2024	2023
Cash flows from operating activities :		
Profit from continuing operations before tax	$ 119,518,780	$ 86,782,442
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation expenses	12,560,224	11,001,295
Amortization expenses	8,375,769	7,198,902
Expected credit impairment (gains) losses	(56,111)	55,669
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(786,901)	30,641
Interest expenses	453,291	399,373
Net losses arising from derecognition of financial assets measured at amortized cost	31,165	14,616
Interest income	(11,149,734)	(7,307,831)
Dividend income	(3,421,872)	(6,192,604)
Share-based payment expenses	1,216,286	1,897,141
Share of profit of associates and joint ventures accounted for using the equity method	(516,576)	(278,384)
Losses on disposal of property, plant and equipment	3,813	15,667
(Gains) losses on disposal of investments accounted for using the equity method	(1,007,936)	2,466
Impairment loss on non-financial assets	74,233	-
Other adjustments	64	(4)
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	2,147,889	5,230,418
Notes receivable	3,142	(331)
Trade receivables	12,314,417	(14,290,073)
Trade receivables from related parties	12,796	(18,869)
Other receivables	1,275,372	2,184,097
Inventories	(15,291,975)	27,404,403
Prepayments	(324,265)	1,418,402
Other current assets	(815,312)	264,558
Other non-current assets-others	8,335,323	8
Contract liabilities	929,217	(1,524,135)
Trade payables	1,839,351	17,105,232
Trade payables to related parties	121,521	155,858
Other payables	11,394,238	(258,298)
Other payables to related parties	28,119	14,181
Other current liabilities	11,747,867	31,147,733
Net defined benefit liabilities	(16,153)	(17,463)
Other non-current liabilities-others	(1,953,421)	4,230,716
Cash inflows generated from operations	157,042,621	166,665,826
Interest received	9,391,270	6,981,235
Dividends received	3,534,226	5,993,543
Interest paid	(567,162)	(449,613)
Income tax paid	(13,346,348)	(13,099,669)
Net cash flows from operating activities	156,054,607	166,091,322
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(3,802,236)	(4,127,635)
Proceeds from disposal of financial assets at fair value through other comprehensive income	3,868,758	20,532,971
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	216,705	50,991
Acquisition of financial assets measured at amortized cost	(25,728,091)	(35,101,005)
Proceeds from repayments of financial assets measured at amortized cost	10,748,222	6,487,443
Proceeds from disposal of investments accounted for using the equity method	25,997	-
Net cash flows from acquisition of subsidiaries	219,037	-
Proceeds from capital reduction of investments accounted for using the equity method	-	115,719
Acquisition of property, plant and equipment	(13,786,506)	(9,324,762)
Proceeds from disposal of property, plant and equipment	15,770	7,978
Decrease in refundable deposits	293,039	115,018
Acquisition of intangible assets	(8,726,280)	(7,502,419)
Decrease in finance lease receivables	727,892	-
Net cash flows used in investing activities	(35,927,693)	(28,745,701)
Cash flows from financing activities :		
Decrease in short-term borrowings	(1,260,000)	(1,500,000)
Repayment of long-term borrowings	-	(827,660)
(Decrease) increase in deposits received	(16,003)	22,089
Payments of lease liabilities	(901,987)	(817,836)
Exercise of employee stock options	-	79,477
Cash dividends paid	(87,550,792)	(120,981,171)
Acquisition of ownership interests in subsidiaries	(221,528)	(2,968,721)
Changes in non-controlling interests	(204,440)	8,403,590
Other financing activities	35,374	21,093
Net cash flows used in financing activities	(90,119,376)	(118,569,139)
Effect of exchange rate changes on cash and cash equivalents	8,292,344	(882,627)
Net increase in cash and cash equivalents	38,299,882	17,893,855
Cash and cash equivalents at the beginning of the year	165,396,010	147,502,155
Cash and cash equivalents at the end of the year	$ 203,695,892	$ 165,396,010

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

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

1. Organization and Operation

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

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

The consolidated financial statements were authorized for issue in accordance with a resolution of the Board of Directors on February 27, 2025.

3. Newly Issued or Revised Standards and Interpretations

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

MTK and its subsidiaries ("the Company") applied for the first time International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRSs Accounting Standards"), revised or amended which are recognized by Financial Supervisory Commission ("FSC") and became effective for annual periods beginning on or after January 1, 2024. The application of these new standards and amendments had no material effect on the Company.

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

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Date issued by IASB
IAS 21	"Lack of Exchangeability" (Amendment)	January 1, 2025

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, 2025. 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 Date issued by IASB
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
IFRS 18	"Presentation and Disclosure in Financial Statements"	January 1, 2027
IFRS 19	"Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
IFRS 9 and IFRS 7	"Financial Instruments" and "Financial Instruments: Disclosures" - Classification and Measurement (Amendment)	January 1, 2026
Annual Improvements to IFRSs Accounting Standards – Volume 11:		
IFRS 1	"First-time Adoption of International Financial Reporting Standards"	January 1, 2026
IFRS 7	"Financial Instruments: Disclosures"	January 1, 2026
IFRS 9	"Financial Instruments"	January 1, 2026
IFRS 10	"Consolidated Financial Statements"	January 1, 2026
IAS 7	"Statement of Cash Flows"	January 1, 2026
IFRS 9 and IFRS 7	"Financial Instruments" and "Financial Instruments: Disclosures" – Contracts Referencing Nature-dependent Electricity (Amendment)	January 1, 2026

The abovementioned standards and interpretations issued by IASB have not yet been endorsed 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 new or amended standards and interpretations of IFRS 10 and IAS 28 〞Consolidated Financial Statements" and 〞Investments in Associates and Joint Ventures", IFRS 18 "Presentation and Disclosure in Financial Statements", and IFRS 9 and IFRS 7 "Financial Instruments" and "Financial Instruments: Disclosures". All other standards and interpretations have no material impact on the Company.

4. Summary of Material Accounting Policies

Statement of Compliance

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

Basis of Preparation

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

Basis of Consolidation

Preparation principle of consolidated financial statements

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

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

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

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

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

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

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

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

If loses control of a subsidiary, it:
(1) derecognizes the assets (including goodwill) and liabilities of the subsidiary;
(2) derecognizes the carrying amount of any non-controlling interest;
(3) recognizes the fair value of the consideration received;
(4) recognizes the fair value of any investment retained;
(5) reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfers directly to retained earnings if required by other IFRSs; and
(6) recognizes any resulting differences in profit or loss.

The consolidated entities are listed as follows:

			Percentage of Ownership		
Investor	Subsidiary	Business nature	December 31, 2024	December 31, 2023	Note
MTK	Hsu-Ta Investment Corp.	General investing	-	100%	1
MTK	MediaTek Singapore Pte. Ltd.	Research, manufacturing and sales	100%	100%	-
MTK	MediaTek Investment Singapore Pte. Ltd.	General investing	100%	100%	-
MTK	HFI Innovation Inc.	Intellectual property right management	100%	100%	-
MTK	MStar Co., Ltd.	General investing	100%	100%	-
MTK	Spidcom Technologies	Intellectual property right management	100%	100%	-
MTK	Richtek Technology Corp.	Research, manufacturing and sales	100%	100%	-
MTK	MediaTek Capital Co.	General investing	100%	100%	-
MTK	Airoha Technology Corp.	Research, manufacturing and sales	66%	67%	-
MTK	Hsu-Yuan Investment Corp.	General investing	100%	100%	-
MTK	MediaTek Research UK Limited	Research	100%	100%	-
MTK	MediaTek Bangalore Private Limited	Research	100%	100%	-
MTK	MediaTek Japan Inc.	Technical services	100%	-	2
MTK	MediaTek Korea Inc.	Research	100%	-	3
MTK	IC PLUS Corp.	Research, manufacturing and sales	14%	-	4
Hsu-Ta Investment Corp.	Hsiang Fa Co.	General investing	-	100%	1
Hsu-Ta Investment Corp.	MediaTek Bangalore Private Limited	Research	-	0%	1
Hsu-Ta Investment Corp.	Airoha Technology Corp.	Research, manufacturing and sales	-	3%	1、5
Hsiang Fa Co.	Chingis Technology Corporation	Research	100%	100%	-
Hsiang Fa Co.	MediaTek Research Corp.	Research	100%	100%	-

(To be continued)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership December 31, 2024	Percentage of Ownership December 31, 2023	Note
Hsiang Fa Co.	InnoFusion Technology Corp.	Technical services	100%	100%	-
MediaTek Singapore Pte. Ltd.	Core Tech Resources Inc.	General investing	-	-	6
MediaTek Singapore Pte. Ltd.	MaiSys Design Technology SG Pte. Ltd.	Research	100%	-	7
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	General investing	100%	100%	-
Core Tech Resources Inc.	MediaTek India Technology Pvt. Ltd.	Research	-	0%	8
Richtek Technology Corp.	Richtek Europe Holding B.V.	General investing	100%	100%	-
Richtek Technology Corp.	Richtek Holding International Limited	General investing	100%	100%	-
Richtek Technology Corp.	Richnex Microelectronics Corp.	Research, manufacturing and sales	82%	82%	-
Richtek Technology Corp.	Richtek Korea LLC.	Research and technical services	100%	100%	-
Richtek Technology Corp.	Richtek USA, Inc.	Sales, research and technical services	100%	100%	-
Richtek Technology Corp.	Richpower Microelectronics Co., Ltd.	Technical services	100%	100%	-
Richtek Technology Corp.	Li-We Technology Corp.	Technical services	100%	100%	-
Richtek Technology Corp.	Richtek Japan Inc.	Research and technical services	100%	100%	-
Richtek Technology Corp.	Richtek Europe B.V.	Marketing services	100%	-	9
Richtek Europe Holding B.V.	Richtek Europe B.V.	Marketing services	-	100%	9

(To be continued)

(Continued)

			Percentage of Ownership		
Investor	Subsidiary	Business nature	December 31, 2024	December 31, 2023	Note
Airoha (Cayman) Inc.	Airotek (Shenzhen) Inc.	Research and technical services	100%	100%	-
Airoha (Cayman) Inc.	Airotek (Chengdu) Inc.	Research	100%	100%	-
Airoha (Cayman) Inc.	Airoha Technology India Private Limited	Research	0%	0%	-
Airoha Technology Corp.	Airoha (Cayman) Inc.	General investing	100%	100%	-
Airoha Technology Corp.	Shadow Investment Limited	General investing	100%	100%	-
Airoha Technology Corp.	Airoha Technology (HK) Limited	General investing, research, manufacturing and sales	100%	100%	-
Airoha Technology Corp.	Airoha Technology USA Inc.	Research	100%	100%	-
Airoha Technology Corp.	Airoha Technology India Private Limited	Research	100%	100%	-
Airoha Technology Corp.	IC PLUS Corp.	Research, manufacturing and sales	29%	-	4
Gaintech Co. Limited	MediaTek China Limited	General investing	100%	100%	-
Gaintech Co. Limited	MTK Wireless Limited	Research	100%	100%	-
Gaintech Co. Limited	MediaTek Japan Inc.	Technical services	-	100%	2
Gaintech Co. Limited	MediaTek Korea Inc.	Research	-	100%	3
Gaintech Co. Limited	Smarthead Limited	General investing	100%	100%	-
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Technical services	100%	100%	-
Gaintech Co. Limited	Nephos Cayman Co. Limited	General investing	100%	100%	-
Gaintech Co. Limited	Zelus (Shenzhen) Technology Ltd.	Research and sales	88%	88%	-
Gaintech Co. Limited	IStar Technology Ltd.	General investing	-	-	10

(To be continued)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership December 31, 2024	Percentage of Ownership December 31, 2023	Note
Gaintech Co. Limited	Sigmastar Technology Inc.	General investing	100%	100%	-
Gaintech Co. Limited	MediaTek Global Holdings Limited	General investing	100%	100%	-
Gaintech Co. Limited	Core Tech Resources Inc.	General investing	-	100%	6、8
MediaTek China Limited	MediaTek (Hefei) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Beijing) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Shenzhen) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Chengdu) Inc.	Research	100%	100%	-
MediaTek China Limited	MediaTek (Wuhan) Inc.	Research	100%	100%	-
MediaTek China Limited	Xuxin Investment (Shanghai) Inc.	General investing	100%	100%	-
MediaTek China Limited	MediaTek (Shanghai) Inc.	Research	100%	100%	-
MTK Wireless Limited	MediaTek Sweden AB	Research	100%	100%	-
MTK Wireless Limited	MediaTek USA Inc.	Research	100%	100%	-
MTK Wireless Limited	MediaTek Wireless Finland Oy	Research	100%	100%	-
MTK Wireless Limited	MStar France SAS	Research	100%	100%	-
MTK Wireless Limited	MediaTek North America Inc.	Sales support and marketing services	100%	100%	-
MTK Wireless Limited	MStar Semiconductor UK Ltd.	Research and technical services	-	-	11
MTK Wireless Limited	MediaTek Poland sp. z o.o.	Technical services	100%	100%	12
MTK Wireless Limited	MediaTek Technology USA Inc.	Research	100%	100%	13

(To be continued)

(Continued)

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2024	December 31, 2023	
Gold Rich International (Samoa) Limited	Gold Rich International (HK) Limited	General investing	100%	100%	-
Airoha Technology (HK) Limited	Airoha Technology (Suzhou) Limited	Research, manufacturing and sales	100%	100%	-
Airoha Technology (Suzhou) Limited	EcoNet Limited	General investing and sales	100%	100%	-
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	General investing	100%	100%	-
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	Research	100%	100%	-
MStar Co., Ltd.	MStar Software R&D (Shenzhen), Ltd.	Technical services	100%	100%	-
Nephos Cayman Co. Limited	Nephos (Hefei) Co., Ltd.	Research, manufacturing and sales	100%	100%	-
Xuxin Investment (Shanghai) Inc.	Xuxi (Shanghai) Management Consulting Co., Ltd.	General investing	100%	100%	-
Xuxi (Shanghai) Management Consulting Co., Ltd.	Hefei Xuhui Management Consulting Co., Ltd.	General investing	100%	100%	-
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	General investing	100%	100%	-
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	General investing	100%	100%	-
MediaTek Global Holdings Limited	Digimoc Holdings Limited	General investing	100%	100%	-
MediaTek Capital Co.	IStar Technology Ltd.	General investing	100%	100%	10
MediaTek Capital Co.	Hsiang Fa Co.	General investing	100%	-	1

(To be continued)

Investor	Subsidiary	Business nature	Percentage of Ownership		Note
			December 31, 2024	December 31, 2023	
MediaTek Capital Co.	MediaTek Bangalore Private Limited	Research	0%	-	1
MediaTek Capital Co.	Airoha Technology Corp.	Research, manufacturing and sales	4%	-	1
Digimoc Holdings Limited	Cloud Ranger Limited	General investing	100%	100%	-
Digimoc Holdings Limited	Gold Rich International (Samoa) Limited	General investing	100%	100%	-
Digimoc Holdings Limited	MediaTek India Technology Pvt. Ltd.	Research	0%	-	8
MTKC Global Holdings Co. Limited	LePower (HK) Limited	General investing	100%	100%	-
MediaTek Investment HK Limited	Hsu Chia (Samoa) Investment Ltd.	General investing	-	100%	14
MediaTek Investment HK Limited	Hsu Kang (Samoa) Investment Ltd.	General investing	-	100%	14
MediaTek Investment HK Limited	Hsu Fa (Samoa) Investment Ltd.	General investing	100%	100%	-
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Technical services	100%	100%	-

1. For the purpose of reorganization, Hsu-Ta Investment Corp. was dissolved due to merger into MediaTek Capital Co. on October 31, 2024. Subsidiaries previously owned by Hsu-Ta Investment Corp. were transferred to MediaTek Capital Co..
2. For the purpose of reorganization, the 100% ownership of MediaTek Japan Inc., which was previously owned by Gaintech Co. Limited, was transferred to MTK in July 2024.
3. For the purpose of reorganization, the 100% ownership of MediaTek Korea Inc., which was previously owned by Gaintech Co. Limited, was transferred to MTK in September 2024.
4. By acquiring privately issued common shares and holding more than half of the board seats, Airoha Technology Corp. has gained substantial control over IC PLUS Corp. (referred to as IC+) since July 1, 2024.

5. Hsu-Ta Investment Corp. acquired voting shares of Airoha Technology Corp. in several tranches from November 2023 to January 2024.
6. For the purpose of reorganization, the 100% ownership of Core Tech Resources Inc., which was previously owned by MediaTek Singapore Pte. Ltd., was transferred to Gaintech Co. Limited in December 2023.
7. MediaTek Singapore Pte. Ltd. established MaiSys Design Technology SG Pte. Ltd. in May 2024.
8. For the purpose of reorganization, Core Tech Resources Inc. was dissolved due to merger into Digimoc Holdings Limited on October 31, 2024. Subsidiaries previously owned by Core Tech Resources Inc. were transferred to Digimoc Holdings Limited.
9. For the purpose of reorganization, the 100% ownership of Richtek Europe B.V., which was previously owned by Richtek Europe Holding B.V., was transferred to Richtek Technology Corp. in December 2024.
10. 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.
11. For the purpose of reorganization, MStar Semiconductor UK Ltd. has been liquidated in February 2023.
12. MTK Wireless Limited established MediaTek Poland sp. z o.o. in January 2023.
13. MTK Wireless Limited established MediaTek Technology USA Inc. in June 2023.
14. For the purpose of reorganization, Hsu Chia (Samoa) Investment Ltd. and Hsu Kang (Samoa) Investment Ltd. were dissolved due to merger into Hsu Fa (Samoa) Investment Ltd. on November 30, 2024.

Foreign currency transactions

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

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

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

(1) Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

(2) Foreign currency items within the scope of IFRS 9 "Financial Instruments" are accounted for based on the accounting policy for financial instruments.

(3) Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

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

Translation of financial statements in foreign currency

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

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

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

Current and non-current distinction

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

All other assets are classified as non-current.

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 the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

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

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

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

(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 notes receivable, trade receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) Impairment of financial assets

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

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

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

The loss allowance is measured as follows:

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

(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:

(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.

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 act in their economic best interest.

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

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

Inventories

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

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

Investments accounted for using the equity method

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

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

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

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

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

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

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

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

Investment property

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

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

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

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

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

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

Leases

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

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

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

A. The Company as a lessee

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

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

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

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

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

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

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

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

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

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

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

B. The Company as a lessor

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

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

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

Intangible assets

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

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

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

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

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 recognized in profit or loss.

Impairment of non-financial assets

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

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

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

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

Treasury shares

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

Provisions

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

Sales allowances and returns (Refund liabilities)

The Company estimates sales allowances and returns 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 goods. Sales are recognized when goods have been shipped and the 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 products of the Company are integrated circuit design products for multimedia and mobile phone chips. 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. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Refund liability is also recognized during the period specified in the contract.

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

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

Silicon intellectual property license

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

Post-employment benefits

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

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

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

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

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 expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

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

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

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

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

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

Income taxes

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

A. Current income tax

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

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

B. Deferred tax

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

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. 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 offset 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.

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

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

5. Significant Accounting Judgments, Estimates and Assumptions

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

Estimates and assumptions

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

A. Fair value of Level 3 financial instruments

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

B. Valuation of inventory- estimation of obsolescence provision

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

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

C. Income tax

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

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 discounts and returns

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

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Cash on hand and petty cash	$ 972	$ 1,058
Checking and savings accounts	11,194,434	12,096,686
Time deposits	192,289,486	144,468,348
Repurchase agreements	211,000	5,832,700
United States Treasury bills	-	2,997,218
Total	$ 203,695,892	$ 165,396,010

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

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

	December 31, 2024	December 31, 2023
Current		
Financial assets mandatorily measured at fair value through profit or loss		
Funds	$ 2,651,106	$ 4,708,086
Linked deposits	1,883,616	520,375
Bonds	435,310	421,189
Stocks	35,565	926
Forward exchange contracts	265,406	13,268
Cross-currency swap contract	-	7,323
Total	$ 5,271,003	$ 5,671,167

	December 31, 2024	December 31, 2023
Held for trading financial liabilities		
Forward exchange contracts	$ 4,229	$ 301,675
Noncurrent		
Financial assets mandatorily measured at fair value through profit or loss		
Trust funds	$ 2,099,410	$ 1,415,031
Bonds	1,213,668	1,119,931
Linked deposits	745,879	2,216,056
Funds	345,434	-
Capital	90,394	-
Stocks	33,500	120,330
Total	$ 4,528,285	$ 4,871,348

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

	December 31, 2024	December 31, 2023
Current		
Equity instrument investments measured at fair value through other comprehensive income		
Listed company stocks	$ 6,266,087	$ 6,040,475
Noncurrent		
Debt instrument investments measured at fair value through other comprehensive income		
Bonds	$ 825,121	$ 1,196,037
Equity instrument investments measured at fair value through other comprehensive income		
Listed company stocks	39,225,550	37,301,843
Capital	22,676,746	22,111,167
Unlisted company stocks	8,878,057	8,938,332
Funds	2,627,947	2,853,482
Subtotal	73,408,300	71,204,824
Total	$ 74,233,421	$ 72,400,861

No loss allowance 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 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Related to investments held at the end of the reporting period	$ 3,420,389	$ 3,112,330
Related to investments derecognized during the period	-	3,080,274
Dividends recognized during the period	$ 3,420,389	$ 6,192,604

The Company derecognized certain equity instrument investments measured at fair value through other comprehensive income in consideration of the Company's investment strategy. Details on derecognition of the investments for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
The fair value of the investments at the date of derecognition	$ 3,426,473	$ 11,440,656
The cumulative gain on disposal reclassified from other equity to retained earnings	$ 65,694	$ 2,418,455

(4) Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
Current		
Bonds	$ 4,346,058	$ 2,945,946
Time deposits	44,766	619,585
Total	$ 4,390,824	$ 3,565,531

	December 31, 2024	December 31, 2023
Noncurrent		
Bonds	$ 72,533,533	$ 55,226,656
Time deposits	408,862	353,873
Total	$ 72,942,395	$ 55,580,529

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, 2024	December 31, 2023
Trade receivables	$ 43,946,594	$ 55,107,662
Less: loss allowance	(1,808)	(57,933)
Subtotal	43,944,786	55,049,729
Trade receivables from related parties	40,666	53,462
Less: loss allowance	-	-
Subtotal	40,666	53,462
Total	$ 43,985,452	$ 55,103,191

Trade receivables are generally on 30 to 150-day terms. Please refer to Note 6. (22) for more details on the loss allowance of trade receivables for the years ended December 31, 2024 and 2023. Please refer to Note 12 for more details on credit risk.

Among trade receivables, the amount attributed to financial assets measured at fair value through profit or loss due to regular factoring without recourse were NT$1,051,951 thousand and NT$1,922,492 thousand as of December 31, 2024 and 2023, respectively.

(6) Other receivables

	December 31, 2024	December 31, 2023
Factoring receivables	$ 2,029,144	$ 1,973,817
Others	5,027,824	2,833,187
Total	$ 7,056,968	$ 4,807,004

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 such trade receivables after deducting the estimated value of commercial disputes.

As of December 31, 2024 and 2023, trade receivables derecognized were summarized (by transferee) as follows:

A. As of December 31, 2024:

The Factor (Transferee)	Interest Rate (%)	Trade receivables derecognized (US$'000)	Cash withdrawn (US$'000)	Unutilized (US$'000)	Credit line (US$'000)
BNP Paribas	-	$ 9,288	$ -	$ 9,288	$ 105,000
Taishin International Bank	-	50,157	-	50,157	185,000
SMBC	-	-	-	-	18,000
CTBC	-	-	-	-	300
SinoPac	-	2,092	-	2,092	10,000
CHB	-	388	-	388	1,200
Total		$ 61,925	$ -	$ 61,925	$ 319,500

B. As of December 31, 2023:

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

(7) Inventories

	December 31, 2024	December 31, 2023
Raw materials	$ 1,319,997	$ 2,259,099
Work in progress	35,633,141	27,818,347
Finished goods	21,461,107	13,142,820
Net amount	$ 58,414,245	$ 43,220,266

The Company's operating costs include the reversals of write-downs recognized when the circumstances that previously caused inventories to be written down below cost no longer existed, were as follows:

	For the years ended December 31	
	2024	2023
The reversal of write-down of inventories	$ 2,564,066	$ 14,585,816

(8) Prepayments

	December 31, 2024	December 31, 2023
Prepaid expenses	$ 840,594	$ 524,016
Input tax	219,469	121,583
Others	14,805,734	4,547,933
Total	$ 15,865,797	$ 5,193,532

(9) Investments accounted for using the equity method

Details of investments in associates were as follows:

	December 31, 2024		December 31, 2023	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Vanchip (Tianjin) Technology Co., Ltd.	$ 4,559,987	24	$ 4,434,223	24
FONTAINE CAPITAL FUND, L.P.	-	-	-	57
Sigmastar Technology Ltd.	10,114,735	29	8,788,996	32
Zilltek Technology Corp.	1,819,206	18	1,799,106	18
Others	1,772,440	-	2,130,775	-
Total	$ 18,266,368		$ 17,153,100	

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

Sigmastar Technology Ltd. increased capital by cash in the first quarter of 2024, and the Company did not subscribe to the new shares proportionate to its original ownership interest. Its ownership was therefore reduced to 29%. Since the Company does not have the ability to direct the relevant activities of Sigmastar Technology Ltd. and therefore does not have control, the Company only has significant influence over it.

Even though the Company's ownership in some of the aforementioned investments was higher than 50%, those investments were structured as Limited Partnership, and the Company merely served as a Limited Partner without the ability to direct the relevant activities. Accordingly, the Company did not have control over them and they were not included in the consolidated entities.

The Company’s investments in associates were not individually material. The following table summarizes financial information of the Company’s ownership in the associates:

Investments in associates

	For the years ended December 31	
	2024	2023
Profit from continuing operations	$ 368,079	$ 358,182
Other comprehensive income (post-tax)	4,529	59,131
Total comprehensive income	$ 372,608	$ 417,313

(10) Property, plant and equipment

	December 31, 2024	December 31, 2023
Owner-occupied property, plant and equipment	$ 56,917,043	$ 53,291,265

	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, 2024	$ 9,605,842	$ 33,110,317	$ 1,355,918	$ 16,157,848	$ 20,210,878	$ 14,323,664	$ 661,567	$ 95,426,034
Additions-acquired separately	-	74,793	1,490,596	1,711,592	3,395,350	5,490,372	2,151,356	14,314,059
Additions-acquired through business combinations	356,243	137,888	13,050	11,403	-	48,183	-	566,767
Disposals	-	(1,719)	(154)	(674,856)	(498,264)	(90,348)	-	(1,265,341)
Transfers	36,247	13,731	-	814	35,300	17,654	(493,806)	(390,060)
Exchange differences	-	460,032	369	143,183	152,219	363,909	756	1,120,468
As of December 31, 2024	9,998,332	33,795,042	2,859,779	17,349,984	23,295,483	20,153,434	2,319,873	109,771,927
Depreciation and impairment:								
As of January 1, 2024	-	7,947,970	1,047,497	11,541,615	12,933,301	8,664,386	-	42,134,769
Depreciation	-	910,954	332,753	2,587,491	2,535,861	5,088,186	-	11,455,245
Disposals	-	(1,255)	(154)	(659,949)	(497,174)	(87,249)	-	(1,245,781)
Transfers	-	(55,989)	-	747	(114)	(142)	-	(55,498)
Exchange differences	-	83,740	324	108,976	116,788	256,321	-	566,149
As of December 31, 2024	-	8,885,420	1,380,420	13,578,880	15,088,662	13,921,502	-	52,854,884
Net carrying amount as of:								
December 31, 2024	$ 9,998,332	$ 24,909,622	$ 1,479,359	$ 3,771,104	$ 8,206,821	$ 6,231,932	$ 2,319,873	$ 56,917,043

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunication equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2023	$ 9,068,386	$ 32,536,899	$ 1,332,015	$ 15,376,222	$ 18,434,608	$ 10,057,520	$ 547,525	$ 87,353,175
Additions-acquired separately	-	204,610	28,068	1,031,307	2,220,247	4,160,916	1,976,355	9,621,503
Disposals	-	(273,619)	(3,011)	(414,968)	(430,858)	(47,721)	-	(1,170,177)
Transfers	537,456	1,031,665	(303)	204,596	49,754	(219,279)	(1,862,313)	(258,424)
Exchange differences	-	(389,238)	(851)	(39,309)	(62,873)	372,228	-	(120,043)
As of December 31, 2023	9,605,842	33,110,317	1,355,918	16,157,848	20,210,878	14,323,664	661,567	95,426,034
Depreciation and impairment:								
As of January 1, 2023	-	7,394,611	935,345	9,201,784	11,205,065	4,754,741	-	33,491,546
Depreciation	-	887,029	116,023	2,663,291	2,224,439	4,166,487	-	10,057,269
Disposals	-	(272,139)	(3,011)	(399,695)	(427,305)	(44,484)	-	(1,146,634)
Transfers	-	2,177	(15)	140,148	(5,580)	(150,439)	-	(13,709)
Exchange differences	-	(63,708)	(845)	(63,913)	(63,318)	(61,919)	-	(253,703)
As of December 31, 2023	-	7,947,970	1,047,497	11,541,615	12,933,301	8,664,386	-	42,134,769
Net carrying amount as of:								
December 31, 2023	$ 9,605,842	$ 25,162,347	$ 308,421	$ 4,616,233	$ 7,277,577	$ 5,659,278	$ 661,567	$ 53,291,265

The amount of the Company's capitalized depreciation expense and interest expense arising from right-of-use assets and lease liabilities and the interest rate of the capitalization were as follows:

	For the years ended December 31	
	2024	2023
Capitalized depreciation expense	$ 68,696	$ 68,696
Capitalized interest expense	$ 113,596	$ 44,563
Interest rate of the capitalization	0.925%	0.925%

(11) Investment property

The Company's investment properties include both owned investment properties and investment properties held by the Company as right-of-use assets. The Company has entered into commercial property leases for its owned investment properties with terms between 40 and 50 years. These leases include a clause to enable revision of the rental charge on an annual basis according to prevailing market conditions. The investment properties held by the Company as right-of-use assets have non-cancellable period ranging from 3 to 50 years. Some of these contracts provide the Company with options to extend the leases.

	Land	Buildings and facilities	Right-of-use assets	Total
Cost:				
As of January 1, 2024	$ -	$ 2,512,330	$ 118,864	$ 2,631,194
Transfers	93,670	296,796	9,115	399,581
Exchange differences	-	75,865	1,464	77,329
As of December 31, 2024	93,670	2,884,991	129,443	3,108,104
Depreciation and impairment:				
As of January 1, 2024	-	394,887	14,391	409,278
Depreciation	-	71,263	3,904	75,167
Transfers	-	56,132	1,721	57,853
Exchange differences	-	11,441	80	11,521
As of December 31, 2024	-	533,723	20,096	553,819
Net carrying amount as of:				
December 31, 2024	$ 93,670	$ 2,351,268	$ 109,347	$ 2,554,285

	Land	Buildings and facilities	Right-of-use assets	Total
Cost:				
As of January 1, 2023	$ -	$ 2,326,327	$ 116,159	$ 2,442,486
Transfers	-	242,501	3,758	246,259
Exchange differences	-	(56,498)	(1,053)	(57,551)
As of December 31, 2023	-	2,512,330	118,864	2,631,194
Depreciation and impairment:				
As of January 1, 2023	-	345,083	11,209	356,292
Depreciation	-	60,679	3,632	64,311
Transfers	-	(2,214)	(399)	(2,613)
Exchange differences	-	(8,661)	(51)	(8,712)
As of December 31, 2023	-	394,887	14,391	409,278
Net carrying amount as of:				
December 31, 2023	$ -	$ 2,117,443	$ 104,473	$ 2,221,916

	For the years ended December 31	
	2024	2023
Rental income from investment properties	$ 226,851	$ 173,060
Direct operating expenses from investment properties generating rental income	(75,167)	(64,311)
Total	$ 151,684	$ 108,749

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

Based on market approach:

	December 31, 2024	December 31, 2023
Fair value	$ 3,685,710	$ 3,543,736

Based on discounted cash flow approach：

	December 31, 2024	December 31, 2023
Fair value	$ 464,529	$ -
Discount rate	3.645%	-
Capitalization rate	2.875%	-
Growth rate	0.5%	-

For those right-of-use assets leased as operating leases and classified as investment properties, please refer to Note 6. (23) for relevant disclosure.

(12) Intangible assets

	Trademarks	Software	Customer relationship	Patents, IPs and others	Goodwill	Total
Cost:						
As of January 1, 2024	$ 352,055	$ 1,243,595	$ 2,581,940	$ 28,681,170	$ 66,042,932	$ 98,901,692
Additions-acquired separately	-	480,350	-	6,109,349	-	6,589,699
Additions-acquired through business combinations	-	45,131	53,500	601,400	1,829,300	2,529,331
Transfers	-	285	-	-	-	285
Disposals	-	(190,624)	-	(3,454,632)	-	(3,645,256)
Exchange differences	-	9,111	-	520,302	36,498	565,911
As of December 31, 2024	352,055	1,587,848	2,635,440	32,457,589	67,908,730	104,941,662
Amortization and impairment:						
As of January 1, 2024	351,842	803,168	1,898,571	14,603,343	-	17,656,924
Amortization	150	434,122	256,483	7,685,014	-	8,375,769
Disposals	-	(190,624)	-	(3,454,632)	-	(3,645,256)
Transfers	-	57	-	-	-	57
Exchange differences	-	7,535	-	289,591	-	297,126
As of December 31, 2024	351,992	1,054,258	2,155,054	19,123,316	-	22,684,620
Net carrying amount as of:						
December 31, 2024	$ 63	$ 533,590	$ 480,386	$ 13,334,273	$ 67,908,730	$ 82,257,042

	Trademarks	Software	Customer relationship	Patents, IPs and others	Goodwill	Total
Cost:						
As of January 1, 2023	$ 352,055	$ 1,188,524	$ 2,581,940	$ 23,365,076	$ 66,042,887	$ 93,530,482
Amortization	-	280,600	-	14,676,762	-	14,957,362
Disposals	-	(226,310)	-	(9,379,355)	-	(9,605,665)
Exchange differences	-	781	-	18,687	45	19,513
As of December 31, 2023	352,055	1,243,595	2,581,940	28,681,170	66,042,932	98,901,692
Amortization and impairment:						
As of January 1, 2023	344,565	651,925	1,644,762	17,434,700	-	20,075,952
Amortization	7,277	377,353	253,809	6,560,463	-	7,198,902
Disposals	-	(226,310)	-	(9,379,355)	-	(9,605,665)
Exchange differences	-	200	-	(12,465)	-	(12,265)
As of December 31, 2023	351,842	803,168	1,898,571	14,603,343	-	17,656,924
Net carrying amount as of:						
December 31, 2023	$ 213	$ 440,427	$ 683,369	$ 14,077,827	$ 66,042,932	$ 81,244,768

(13) Impairment testing of goodwill

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

The recoverable amount of the cash-generating unit is determined based on the value-in-use calculated using cash flow projections discounted by the pre-tax discount rate from financial budgets approved by management covering a five-year period. The projected cash flows reflect the change in demand for products and services. As a result of the analysis, the Company did not identify any impairment for goodwill of NT$67,908,730 thousand.

Key assumptions used in value-in-use calculations

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

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

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

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

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

Sensitivity to changes in assumptions

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

(14) Short-term borrowings

	December 31, 2024	December 31, 2023
Unsecured bank loans	$ 940,000	$ 2,200,000
Interest rates	1.97%	1.80%

(15) Other payables

	December 31, 2024	December 31, 2023
Accrued salaries and bonuses	$ 40,278,816	$ 33,714,697
Accrued royalties	2,767,240	3,633,175
Dividends payable	46,448,952	39,350,914
Others	20,847,571	14,954,319
Total	$ 110,342,579	$ 91,653,105

(16) Other current liabilities

	December 31, 2024	December 31, 2023
Refund liabilities (Note)	$ 87,270,518	$ 73,189,582
Others	1,154,284	915,531
Total	$ 88,424,802	$ 74,105,113

Note: Refund liabilities represented the Company's estimated sales allowances and returns based on past experience and other known factors.

(17) Post-employment benefits plans

Defined contribution plan

MTK and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. MTK and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts. Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts. Pension benefits for employees of foreign subsidiaries are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 were NT$2,935,354 thousand and NT$2,783,123 thousand, respectively.

Defined benefits plan

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

The funds are operated and managed by the government's designated authorities. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with IAS 19. The Company expects to contribute NT$26,979 thousand to its defined benefit plan during the 12 months beginning after December 31, 2024.

The weighted average duration of the defined benefit obligations were 9 to 13 years and 10 to 14 years as of December 31, 2024 and 2023, respectively.

Pension costs recognized in profit or loss were as follows:

	For the years ended December 31	
	2024	2023
Current service cost	$ 5,816	$ 6,912
Net interest on the net defined benefit liabilities	7,563	10,225
Past service cost	(2,551)	-
Total	$ 10,828	$ 17,137

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

	December 31, 2024	December 31, 2023
Defined benefit obligation	$ 954,276	$ 1,005,494
Plan assets at fair value	(460,718)	(410,989)
Net defined benefit assets	40,679	26,265
Net defined benefit liabilities	$ 534,237	$ 620,770

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, 2024	$ 1,005,494	$ (410,989)	$ 594,505
Current service cost	5,816	-	5,816
Interest expenses (income)	12,907	(5,344)	7,563
Past service cost	(2,551)	-	(2,551)
Subtotal	16,172	(5,344)	10,828
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	7,004	-	7,004

(To be continued)

(Continued)

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
Actuarial gains and losses arising from changes in financial assumptions	(30,870)	-	(30,870)
Experience adjustments	(25,576)	-	(25,576)
Remeasurements of the defined benefit assets	-	(35,352)	(35,352)
Subtotal	(49,442)	(35,352)	(84,794)
Payment of benefit obligation	(17,948)	17,948	-
Contributions by employer	-	(26,981)	(26,981)
As of December 31, 2024	$ 954,276	$ (460,718)	$ 493,558

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities (assets)
As of January 1, 2023	$ 1,136,253	$ (389,768)	$ 746,485
Current service cost	6,912	-	6,912
Interest expenses (income)	15,603	(5,378)	10,225
Subtotal	22,515	(5,378)	17,137
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	(1,183)	-	(1,183)
Actuarial gains and losses arising from changes in financial assumptions	(91,044)	-	(91,044)
Experience adjustments	(40,247)	-	(40,247)
Remeasurements of the defined benefit assets	-	(2,043)	(2,043)
Subtotal	(132,474)	(2,043)	(134,517)
Payment of benefit obligation	(20,800)	17,832	(2,968)
Contributions by employer	-	(31,632)	(31,632)
As of December 31, 2023	$ 1,005,494	$ (410,989)	$ 594,505

The principal assumptions used in determining the Company's defined benefit plan were as below:

	December 31, 2024	December 31, 2023
Discount rate	1.25%-1.65%	1.25%-1.35%
Expected rate of salary increases	2.00%-4.50%	2.00%-4.50%

Sensitivity analysis for significant assumptions was as below:

	For the years ended December 31			
	2024		2023	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.5%	$ -	$ (48,983)	$ -	$ (61,164)
Discount rate decreases by 0.5%	60,394	-	68,503	-
Rate of future salary increases by 0.5%	59,768	-	67,600	-
Rate of future salary decreases by 0.5%	-	(48,970)	-	(61,000)

The sensitivity analysis above is based on a change in a significant assumption (for example: a change in the discount rate or future salary), while 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 from one another.

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

(18) Other non-current liabilities

	December 31, 2024	December 31, 2023
Provisions	$ -	$ 4,183,904
Decommissioning liabilities	47,987	45,042
Others	3,518,034	2,654,983
Total	$ 3,566,021	$ 6,883,929

The reversal of the Company's provisions for the year ended December 31, 2024 was NT$4,183,904 thousand. Please refer to Note 9 for more details.

(19) Equity

A. Share capital

MTK's authorized capital as of December 31, 2024 and 2023 was NT$20,000,000 thousand, divided into 2,000,000,000 shares (including 20,000,000 shares reserved for exercise of employee stock options at each period), each at a par value of NT$10. MTK's issued capital was NT$16,016,880 thousand and NT$15,996,475 thousand divided into 1,601,687,990 shares and 1,599,647,517 shares, as of December 31, 2024 and 2023, respectively. Each share has one voting right and a right to receive dividends.

On May 27, 2024, the general shareholders' meeting approved to issue restricted stocks for employees. As of December 31, 2024, 2,359,347 shares of restricted stocks for employees were issued. Relevant regulators' approvals have been obtained and related registration processes have been completed.

MTK has redeemed and cancelled 318,874 shares and 216,995 shares of issued restricted stocks for employees during the years ended December 31, 2024 and 2023, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

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

B. Capital surplus

	December 31, 2024	December 31, 2023
Additional paid-in capital	$ 5,303,435	$ 3,046,242
Treasury share transactions	3,638,117	3,209,443
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	6,942,770	7,120,637

(To be continued)

(Continued)

	December 31, 2024	December 31, 2023
Changes in ownership interests in subsidiaries	8,280,276	8,090,280
Donated assets	1,261	1,261
Share of changes in net assets of associates	4,466,121	4,138,812
Restricted stocks for employees	2,512,751	2,384,116
Others	491,322	359,647
Total	$ 31,636,053	$ 28,350,438

According to the Company Act, the capital surplus shall not be used except for offsetting 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 held by each of them.

C. Treasury shares

As of December 31, 2024 and 2023, 7,794,085 shares of MTK's common shares amounted to NT$55,970 thousand were held by the subsidiary, Hsiang Fa Co. These shares were acquired Hsiang Fa Co. for financing purposes before the amendment of the Company Act on November 12, 2001.

As of December 31, 2024 and 2023, MTK did not hold any other treasury shares.

D. Retained earnings and dividend policy

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

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

Based on the authorization from the Articles of Incorporation as mentioned above, the 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 distribution to the shareholders' meeting.

Dividends to shareholders may be distributed in cash or in stock, and the cash dividends shall not be lower than 10% of total dividends to shareholders.

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

Pursuant to existing regulations, MTK is required to set aside an 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 distributions of earnings for the years of 2024 and 2023 were resolved by the Board of Directors' meeting. The details of the distribution were as follows:

	Second half year of 2024	First half year of 2024
Board of Directors' meeting	2025.2.27	2024.10.30
Legal reserve	$ 4,951,119	$ 5,702,090
Cash dividends-common stock	$ 40,041,559	$ 46,448,952
Dividends per share (NT$)	$ 25.0	$ 29.0

	Second half year of 2023	First half year of 2023
Board of Directors' meeting	2024.2.23	2023.10.27
Legal reserve	$ 4,282,605	$ 3,540,881
Cash dividends-common stock	$ 48,628,552	$ 39,350,914
Dividends per share (NT$)	$ 30.4	$ 24.6

E. Non-controlling interests

	For the years ended of December 31	
	2024	2023
Beginning balance	$ 5,999,576	$ 2,948,949
Gains attributable to non-controlling interests	754,045	212,307
Other comprehensive income (losses), attributable to non-controlling interests, net of tax:		
Remeasurements of defined benefit plans	52	1,292
Exchange differences resulting from translating the financial statements of foreign operations	26,566	(21,617)
Share-based payment transactions	-	123,999
Changes in associates and joint ventures accounted for using the equity method	916	4,453
Changes in ownership interests in subsidiary	(73,469)	3,856,274
Sale of additional interest in a subsidiary	(43,661)	(612,082)
Acquired through business combinations	2,008,014	-
Others	(243,769)	(513,999)
Ending balance	$ 8,428,270	$ 5,999,576

(20) Share-based payment plans

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

Employee stock option plans of MTK

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

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

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

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

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

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

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 year ended December 31	
	2023	
Employee Stock Option	Options (Unit)	Weighted-average Exercise Price per Share (NT$)
Outstanding at beginning of period	218,120	$ 368.0
Exercised (Note)	(215,971)	368.0
Forfeited (Expired)	(2,149)	368.0
Outstanding at end of period	-	-
Exercisable at end of period	-	
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 for the year ended December 31, 2023.

The information on the outstanding share-based payment plans was as follows:

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

Restricted stock plan for employees of MTK

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

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

The fair value of the restricted stocks issued was NT$824.81-NT$901, NT$1,024.8-NT$1,120, NT$610.31-NT$667 and NT$681.68-NT$745 per share, respectively. The estimated compensation expenses amounted to NT$7,529,997 thousand in total based on the vesting conditions. As of December 31, 2024, the compensation expense was all recorded under salary expense.

On May 27, 2024, the shareholders' meeting approved to issue gratuitous restricted stocks for employees, at a total of 24,000,000 common shares. MTK shall set up the actual issuance date(s) in one tranche or in installments within one year from the date of receipt of the effective registration of the competent authority.

MTK issued 2,359,347 gratuitous restricted stocks on August 23, 2024. The issuance process was granted effective registration by the securities authority.

The fair value of the restricted stocks issued was NT$1,090.09-NT$1,225 per share, respectively. The estimated compensation expenses amounted to NT$2,624,654 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of December 31, 2024, MTK had recognized NT$662,689 thousand as compensation expense and NT$1,919,250 thousand as unearned employee compensation, which were recorded under salary expense and other equity, respectively.

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

	Restricted stock plan for employees
Expected volatility (%)	36.46%
Risk free interest rate (%)	1.32%
Pricing Approach	Monte Carlo Simulation

Restrictions on the rights and vesting conditions of the first restricted stocks for employees under the 2024 plan are as follows:

A. To issue common shares of MTK with gratuitous issue price.
B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company’s employment agreement, employee handbook, non-competition clause, confidentiality agreement or policies and achievement of both personal performance criteria and the Company’s performance target during the vesting period, are eligible to receive the vested shares. The vesting period of the plan is two years. The maximum portions of the vesting shares of 2025 are 50%, and the cumulative maximum portions of vesting shares for two years from 2025 to 2026 are 100%. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company’s performance target.
C. During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.

D. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting, etc., are the same as those of the common shareholders', and the rights will be exercised by the custodian organizations according to the trust contracts.

Share-based payment plans of subsidiaries

On November 29, 2021, Board of Directors of Airoha Technology Corp. approved the option plans for Taiwanese employees and foreign employees. The total units of the stock options are 2,155,464 units for Taiwanese optionees and 1,111,727 units for foreign optionees, each unit of employee stock options is eligible to subscribe for one common share of Airoha Technology Corp. The options may be granted to qualified employees of Airoha Technology Corp. or any of its domestic or foreign subsidiaries. Settlement upon the exercise of the options will be made through the issuance of new shares by Airoha Technology Corp. The rights of the new shares are the same as those of common shares.

The issuance date, the exercisable periods and the exercise price of the Taiwanese employee stock options were determined to be on January 3, 2022, from January 3, 2022 to January 7, 2022 and NT$264 per share, respectively. The options have all been exercised, with January 10, 2022 being the record date of the capital increase. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The issuance date of foreign employee stock options was determined to be on January 10, 2022. The option holders of the employee stock options may exercise the options within two months after the date that the stocks of Airoha Technology Corp. are listed on a centralized exchange market and the designated accounts required by the relevant regulators are opened. The exercise price ranged from NT$67 to NT$137 per share. In accordance with the plan, the number of exercisable shares is subject to adjustments in the situation that Airoha Technology Corp. increases its capital through the capitalization of retained earnings or capital surplus. On February 8, 2022, the general shareholders' meeting of Airoha Technology Corp. resolved to issue 41,573 thousand new common shares in the amount of NT$415,730 thousands from capital surplus. Accordingly, the number of exercisable shares was adjusted upward by 441,986 common shares. The incremental fair value thus incurred would be recognized as an expense during the remaining vesting period.

Airoha Technology Corp. adopted the fair value method to determine the compensation cost and the Black-Scholes Option Pricing Model was used to estimate the fair value of options granted. Assumptions used in calculating the fair value are disclosed as follows:

	Employee stock option
Expected dividend yield (%)	0.00%
Expected volatility (%)	35.91%~54.66%
Risk free interest rate (%)	0.41%
Expected life (Years)	0.01 years~1.61 years

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

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

	For the years ended December 31			
	2024		2023	
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	1,483,851	$ 82	1,491,839	$ 82
Exercised (Note)	(1,483,851)	82	-	-
Forfeited (Expired)	-	-	(7,988)	80
Outstanding at end of period	-	-	1,483,851	82
Exercisable at end of period	-		-	
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$635 for the year ended December 31, 2024.

The information on the outstanding share-based payment plans was as follows:

		December 31, 2024		December 31, 2023	
		Outstanding stock options		Outstanding stock options	
Date of grant	Range of Exercise Price (NT$)	Weighted-average Expected Remaining Years	Weighted-average Exercise Price per Share (NT$)	Weighted-average Expected Remaining Years	Weighted-average Exercise Price per Share (NT$)
2022.01.10	$ 67-137	-	$ -	0.14	$ 67-137

Share-based compensation expenses recognized for the years ended December 31, 2024 and 2023 are shown in the following table:

	For the years ended December 31	
	2024	2023
Employee stock options	$ -	$ 123,999
Restricted stocks for employees	1,216,286	1,773,142
Total	$ 1,216,286	$ 1,897,141

The Company did not modify or cancel any share-based payment plans for the years ended December 31, 2024 and 2023.

(21) Sales

Analysis of revenue from contracts with customers for the years ended December 31, 2024 and 2023 was as follows:

A. Disaggregation of revenue

	For the years ended December 31	
	2024	2023
Sale of goods	$ 522,257,791	$ 424,144,048
Services and other operating revenue	8,328,095	9,302,282
Total	$ 530,585,886	$ 433,446,330
Revenue recognition point:		
At a point in time	$ 525,443,735	$ 426,794,340
Satisfies the performance obligation over time	5,142,151	6,651,990
Total	$ 530,585,886	$ 433,446,330

B. Contract balances

Contract liabilities-current

	December 31, 2024	December 31, 2023	January 1, 2023
Sales of goods	$ 1,191,549	$ 1,615,650	$ 4,043,364
Services and other operating revenue	3,126,879	1,761,109	857,530
Total	$ 4,318,428	$ 3,376,759	$ 4,900,894

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2024 and 2023 were as follows:

	For the years ended December 31	
	2024	2023
Revenue recognized during the period that was included in the beginning balance	$ 2,308,483	$ 4,185,794
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	$ 3,264,598	$ 2,665,760

C. Transaction price allocated to unsatisfied performance obligations

As of December 31, 2024 and 2023, no disclosure of the unsatisfied performance obligations was needed as the contract terms with customers for the sales of goods are all shorter than one year; besides, the summarized amounts of transaction price allocated to unsatisfied performance obligations for rendering services were NT$3,527,985 thousand and NT$5,176,196 thousand, respectively. 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.

(22) Expected credit losses

	For the years ended December 31	
	2024	2023
Impairment gains (losses)		
Trade receivables	$ 56,111	$ (55,669)

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

The Company measures the loss allowance of its receivables (including notes receivable, trade receivables and trade receivables from related parties) and finance lease receivables, net at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2024 and 2023 was 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 were as follows:

2024.12.31

	Neither past due	Past due				
	(Note)	Within 30 days	31-60 days	61-90 days	After 90 days	Total
Gross carrying amount	$ 42,057,792	$ 1,573,961	$ 237,760	$ 75,895	$ 1,186	$ 43,946,594
Loss ratio	0%	0%	0%	0%-10%	20%-100%	
Lifetime expected credit losses	-	-	-	(1,706)	(102)	(1,808)
Carrying amount of trade receivables	$ 45,057,792	$ 1,573,961	$ 237,760	$ 74,189	$ 1,084	$ 43,944,786

2023.12.31

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

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

The movements in the provision for impairment of receivables and finance lease receivables for the years ended December 31, 2024 and 2023 were as follows:

	Notes receivable	Trade receivables (including related parties)	Finance lease receivables
As of January 1, 2024	$ -	$ 57,933	$ -
Allowance for the current period	-	(56,111)	-
Effect of changes in exchange rate	-	(14)	-
As of December 31, 2024	$ -	$ 1,808	$ -
As of January 1, 2023	$ -	$ 1,640	$ -
Allowance for the current period	-	55,669	-
Effect of changes in exchange rate	-	624	-
As of December 31, 2023	$ -	$ 57,933	$ -

(23) Leases

A. The Company as a lessee

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

a. Right-of-use asset

	December 31, 2024	December 31, 2023
Land	$ 6,457,298	$ 6,582,463
Buildings and facilities	2,309,920	1,900,361
Machinery equipment	142,967	104,406
Transportation equipment	6,484	7,213
Office equipment	1,890	2,862
Total	$ 8,918,559	$ 8,597,305

During the years ended December 31, 2024 and 2023, the additions to right-of-use assets of the Company amounted to NT$1,394,895 thousand and NT$614,681 thousand, respectively.

b. Lease liability

	December 31, 2024	December 31, 2023
Lease liability-current	$ 995,267	$ 837,485
Lease liability-noncurrent	8,375,041	8,060,351
Total	$ 9,370,308	$ 8,897,836

Please refer to Note 6. (28) for the interest on lease liability recognized during the years ended December 31, 2024 and 2023 and Note 12. (2) C. for the maturity analysis of lease liabilities

The Company capitalized certain depreciation and interest expenses during the years ended December 31, 2024 and 2023. Please refer to Note 6. (10) for related information.

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2024	2023
Land	$ 56,362	$ 56,424
Buildings and facilities	847,816	717,417
Machinery equipment	118,237	96,164
Transportation equipment	5,903	8,174
Office equipment	1,494	1,536
Total	$ 1,029,812	$ 879,715

d. Income and costs relating to leasing activities

	For the years ended December 31	
	2024	2023
The expense relating to short-term leases	$ 60,417	$ 88,995
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	$ 4,901	$ 6,197
Income from subleasing right-of-use assets	$ 27,213	$ 28,321

e. Cash outflow relating to leasing activities

During the years ended December 31, 2024 and 2023, the Company's total cash outflows for leases amounted to NT$1,071,927 thousand and NT$983,167 thousand, respectively.

f. Other information relating to leasing activities

Subsidiary Hsu-Yuan Investment Corp. ("Hsu-Yuan") signed a contract with Railway Bureau, MOTC ("RB") to obtain land usufruct. The contract contains variable payment terms that are linked to certain percentages of sales generated from the leased land. As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities. The variable rental payment will be 1% (when sales range between NT$350,000-430,000 thousand), 2% (when sales range between NT$430,000-520,000 thousand), and 3% (when sales exceed NT$520,000 thousand) of Hsu-Yuan's sales, respectively.

B. The Company as a lessor

Please refer to Note 6. (11) for details on the Company's owned investment properties and investment properties held by the Company as right-of-use assets. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to the ownership of underlying assets.

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

	For the years ended December 31	
	2024	2023
Lease income from operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$ 315,933	$ 261,430
Lease income from finance leases		
Finance income on the net investment in the lease	18,961	23,293
Total	$ 334,894	$ 284,723

The undiscounted lease payments to be received for the remaining years as of December 31, 2024 and 2023 were as follows:

	December 31, 2024	December 31, 2023
Not later than one year	$ 735,143	$ 746,853
Later than one year and not later than two years	-	735,143
Total non-discounted lease payments	735,143	1,481,996
Less: unearned finance income of finance lease	(7,251)	(26,212)
Less: allowance for doubtful debts	-	-
Net investment in the finance lease (receivable of a finance lease)	$ 727,892	$ 1,455,784
Current	$ 727,892	$ 727,892
Noncurrent	$ -	$ 727,892

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

	For the years ended December 31					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	$ 49,874	$ 2,896,308	$ 2,946,182	$ 51,741	$ 2,748,519	$ 2,800,260
Others	$ 1,334,987	$ 96,942,792	$ 98,277,779	$ 1,322,443	$ 82,261,409	$ 83,583,852
Depreciation	$ 381,901	$ 12,178,323	$ 12,560,224	$ 97,963	$ 10,903,332	$ 11,001,295
Amortization	$ 8,359	$ 8,367,410	$ 8,375,769	$ 4,792	$ 7,194,110	$ 7,198,902

According to the Articles of Incorporation of MTK, no less than 1% of the current year's profit is distributable as employees' compensation and no more than 0.5% as remuneration to directors, provided that MTK's accumulated losses shall have been covered in advance. MTK may distribute the profit as employees' compensation in the form of shares or cash.

MTK accrued employees' compensation and remuneration to directors based on a specific rate of profit for the years ended December 31, 2024 and 2023. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, MTK will recognize the change as an adjustment to income of next year. The information about the employees' compensation and directors' remuneration is available on the "Market Observation Post System" website.

A resolution was approved in a meeting of the Board of Directors held on February 27, 2025 and February 23, 2024 to distribute cash as employees' compensation and remuneration to directors were as follows:

	For the years ended December 31	
	2024	2023
Employees' compensation	$ 1,382,436	$ 1,045,717
Remuneration to directors	$ 101,000	$ 103,000

There was no difference between aforementioned approved amounts and the amounts charged against earnings in 2024 and 2023.

(25) Interest income

	For the years ended December 31	
	2024	2023
Financial assets measured at amortized cost	$ 11,044,368	$ 7,190,205
Financial assets at fair value through other comprehensive income	105,366	117,626
Total	$ 11,149,734	$ 7,307,831

(26) Other income

	For the years ended December 31	
	2024	2023
Rental income	$ 315,933	$ 261,430
Dividend income	3,421,872	6,192,604
Others	196,308	246,724
Total	$ 3,934,113	$ 6,700,758

(27) Other gains and losses

	For the years ended December 31	
	2024	2023
Losses on disposal of property, plant and equipment	$ (3,813)	$ (15,667)
Gains (losses) on disposal of investments		
Investments accounted for using the equity method	1,007,936	(2,466)
Financial assets measured at amortized cost	(31,165)	(14,616)
Foreign exchange losses	(1,547,231)	(169,940)
Impairment losses		
Investments accounted for using the equity method	(74,233)	-
Net gains on financial instruments at fair value through profit or loss	2,657,740	1,308,704
Others	(49,553)	(10,679)
Total	$ 1,959,681	$ 1,095,336

(28) Finance costs

	For the years ended December 31	
	2024	2023
Interest expenses on borrowings	$ 348,669	$ 329,234
Interest expenses on lease liabilities	104,622	70,139
Total	$ 453,291	$ 399,373

(29) Components of other comprehensive income

For the year ended December 31, 2024：

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax (expense) benefit	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	$ 84,794	$ -	$ 84,794	$ (16,326)	$ 68,468
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(2,088,221)	-	(2,088,221)	167,243	(1,920,978)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(718)	-	(718)	-	(718)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	17,212,011	-	17,212,011	-	17,212,011
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	14,028	-	14,028	-	14,028
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(180,082)	2,916	(177,166)	-	(177,166)
Total	$ 15,041,812	$ 2,916	$ 15,044,728	$ 150,917	$ 15,195,645

For the year ended December 31, 2023：

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	$ 134,517	$ -	$ 134,517	$ (26,291)	$ 108,226
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	8,383,303	-	8,383,303	(97,376)	8,285,927
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(341,870)	-	(341,870)	-	(341,870)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(1,083,346)	-	(1,083,346)	-	(1,083,346)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	15,216	-	15,216	-	15,216
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(203,744)	2,466	(201,278)	-	(201,278)
Total	$ 6,904,076	$ 2,466	$ 6,906,542	$ (123,667)	$ 6,782,875

(30) Income tax

The major components of income tax expense were as follows:

	For the years ended December 31	
	2024	2023
Current income tax expense		
Current income tax charge	$ 8,999,278	$ 13,535,347
Current tax expense related to Pillar Two legislation	693,813	-
Deferred tax expense (income)	2,484,447	(3,574,588)
Others	200,619	(369,261)
Total income tax expense	$ 12,378,157	$ 9,591,498

Income tax recognized in other comprehensive income

	For the years ended December 31	
	2024	2023
Deferred tax expense (income):		
Remeasurements of defined benefit plans	$ 16,326	$ 26,291
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(167,243)	97,376
Income tax relating to components of other comprehensive income	$ (150,917)	$ 123,667

Income tax charged directly to equity

	For the years ended December 31	
	2024	2023
Current income tax expense:		
Realized gains from equity instrument investments measured at fair value through other comprehensive income	$ 11,441	$ 789,930

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	
	2024	2023
Accounting profit before tax from continuing operations	$ 119,518,780	$ 86,782,442
Tax at the domestic rates applicable to profits in the country concerned	$ 36,457,239	$ 23,304,835
Tax effect of revenue exempt from taxation	(7,145,727)	(2,761,056)
Tax effect of expenses not deductible for tax purposes	523,322	1,234,181
Investment tax credits	(3,136,127)	(6,755,069)
Tax effect of deferred tax assets/liabilities	(14,404,111)	(7,886,451)
Corporate income surtax on undistributed retained earnings	-	1,058,086
Others	(83,561)	1,396,972
Total income tax expense recognized in profit or loss	$ 12,378,157	$ 9,591,498

For the year ended December 31, 2024

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Charged directly to equity	Acquired from business combinations	Ending balance
Temporary differences						
Unrealized allowance for inventory obsolescence	$ 3,373,403	$ (525,303)	$ -	$ -	$ -	$ 2,848,100
Allowance for sales returns and discounts	4,930,303	(373,470)	-	-	-	4,556,833
Amortization of difference for tax purpose	729,475	137,589	-	-	-	867,064
Amortization of goodwill difference for tax purpose	(4,378,415)	(712,531)	-	-	-	(5,450,946)
Unused tax losses	12,974	(1,445)	-	-	-	11,529
Unused tax credits	468,599	(52,123)	-	-	-	316,476
Others	1,435,006	(695,760)	150,917	(11,441)	(194,266)	684,456
Deferred tax income (expense)		$ (2,323,043)	$ 150,917	$ (11,441)	$ (194,266)	
Net deferred tax assets	$ 6,211,345					$ 3,833,512
Reflected in balance sheet as follows:						
Deferred tax assets	$ 14,663,824					$ 14,390,228
Deferred tax liabilities	$ (8,452,479)					$ (10,556,716)

For the year ended December 31, 2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Charged directly to equity	Ending balance
Temporary differences					
Unrealized allowance for inventory obsolescence	$ 5,182,997	$ (1,809,594)	$ -	$ -	$ 3,373,403
Allowance for sales returns and discounts	2,596,375	2,333,928	-	-	4,930,303
Amortization of difference for tax purpose	359,003	370,472	-	-	729,475
Amortization of goodwill difference for tax purpose	(4,017,390)	(721,025)	-	-	(4,738,415)
Unused tax losses	20,297	(7,323)	-	-	12,974
Unused tax credits	683,275	(214,676)	-	-	468,599
Others	(4,897,291)	7,245,894	(123,667)	(789,930)	1,435,006
Deferred tax income (expense)		$ 7,197,676	$ (123,667)	$ (789,930)	
Net deferred tax assets	$ (72,734)				$ 6,211,345
Reflected in balance sheet as follows:					
Deferred tax assets	$ 11,511,991				$ 14,663,824
Deferred tax liabilities	$ (11,584,725)				$ (8,452,479)

The risk exposure of Pillar Two income tax

As of December 31, 2024, some of the Company's subsidiaries were located in the tax jurisdictions where the Pillar Two legislation has been enacted or substantially enacted but has not yet come into effect. The Company is currently assessing the potential risk exposure brought by the Pillar Two legislation and expects to report this potential risk exposure in the financial statements for the following year.

The assessment of income tax returns

As of December 31, 2024, the assessments of the income tax returns of MTK and its material subsidiaries were as follows:

	The assessment of income tax returns	Note
MTK	Assessed and approved up to 2022	
Subsidiary- Richtek Technology Corp.	Assessed and approved up to 2022	
Subsidiary- Airoha Technology Corp.	Assessed and approved up to 2021	

(31) Earnings per share

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

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

	For the years ended December 31	
	2024	2023
A. Basic earnings per share		
Profit attributable to ordinary equity owners of the parent (in thousand NT$)	$ 106,386,578	$ 76,978,637
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,589,670,990	1,586,833,341
Basic earnings per share (NT$)	$ 66.92	$ 48.51

	For the years ended December 31	
	2024	2023
B. Diluted earnings per share		
Profit attributable to ordinary equity owners of the parent (in thousand NT$)	$ 106,386,578	$ 76,978,637
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,589,670,990	1,586,833,341
Effect of dilution:		
Employees' compensation-stock (share)	1,126,586	1,356,873
Employee stock options (share)	-	102,997
Restricted stocks for employees (share)	2,248,160	4,179,580
Weighted average number of ordinary shares outstanding after dilution (share)	1,593,045,736	1,592,472,791
Diluted earnings per share (NT$)	$ 66.78	$ 48.34

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.

(32) Business Combination

Acquisition of IC PLUS Corp.

A resolution was passed at a Board of Directors' meeting of the subsidiary Airoha Technology Corp. on March 6, 2024 and June 17, 2024, to participate in IC+ private equity capital increase with a price of NT$1,932,774 thousand, and obtained 27,563,800 voting shares. This equity transaction was completed on July 1, 2024 and the change registration was completed. The shareholding ratio of Airoha Technology Corp. in IC+ changed from 0.94% to 29.26%, making it the single largest shareholder of IC+. MTK also holds 13.61% of the shares of IC+, totaling a combined holding of 42.87%. Since the Company holds more than half of the board seats, the Company has gained substantial control over IC+ since July 1, 2024, and it has been included as a subsidiary in the consolidated financial statements from that date.

IC+ is a Taiwan-based OTC company specializing in computer network communication IC design. The Company focuses on the Ethernet market opportunities, and the product lines of both companies are highly complementary and have no overlap. By participating in private placements, the two parties will strengthen cooperation in the future and expand the service markets of both parties.

Non-controlling interests of IC+ as their relative share which the company has elected of the recognized amount of identifiable net assets.

The fair value of the identifiable assets and liabilities of IC+ as at the date of acquisition were:

	Fair value recognized on the acquisition date
Cash	$ 2,151,811
Financial asset at fair value through profit or loss－current	42,402
Inventories	129,732
Other current assets	31,120
Property, plant and equipment	566,767
Intangible assets	700,031
Other non-current assets	522
	3,622,385
Current liabilities	(104,129)
Deferred tax liabilities	(194,266)
Other non-current liabilities	(3,017)
	(301,412)
Identifiable net assets at fair value	$ 3,320,973

Goodwill of IC+ was as follows:

	Amount
Cash consideration	$ 1,932,774
Fair value of equity interest in IC+ originally held by the Company	1,209,485
Add: non-controlling interests	2,008,014
Less: identifiable net assets at fair value	(3,320,973)
Goodwill	$ 1,829,300

The fair value and the total contractual amount of the trade receivables amounts to NT$ 25,268 thousand. None of the trade receivables have been impaired and it is expected that the full contractual amount can be collected.

Analysis of cash flows on acquisition:

	Amount
Net cash acquired from the subsidiary	$ 2,151,811
Transaction costs attributable to cash paid	(1,932,774)
Net cash flow on acquisition	$ 219,037

The aforementioned net assets were recognized and recorded with the purchase price allocation report by independent external experts on the acquisition date of July 1, 2024.

The goodwill arising from the acquisition of IC+ comprises the fair value of expected synergies arising from acquisition.

From the acquisition date, July 1, 2024, to December 31, 2024, IC+ has contributed NT$338,827 thousand to the Company's revenue, with a net loss of NT$72,053 thousand. If the combination had taken place at the beginning of that year, the Company's consolidate operations revenue would have been NT$530,891,100 thousand and the net profit for the period would have been NT$107,067,657 thousand.

(33) Changes in ownership interests in subsidiaries

Changes in ownership of subsidiaries

Airoha Technology Corp. increased its capital by cash in October 2023 and the first half of the year 2024. The Company did not proportionately subscribe the newly issued shares proportionate to its original ownership interest that resulted in a change in ownership interest. In addition, from November 2023 to January 2024, the Company continuously acquired Airoha Technology Corp.’s outstanding shares. After all the changes mentioned above, the Company’s ownership of Airoha Technology Corp. became 70%. As the control over the subsidiary remained, the changes of the ownership interest were accounted for as equity transactions.

Gaintech Co. Limited disposed of and acquired shares of Zelus (Shenzhen) Technology Ltd. in October 2024 and December 2024, respectively, and the Company’s ownership of Zelus (Shenzhen) Technology Ltd. became 88% consequently. As the control over the subsidiary remained, the changes of the ownership interest were accounted for as equity transactions.

The difference between the fair value from acquiring or disposing of subsidiaries and the non-controlling interest was (NT$65,069) thousand for the year ended December 31, 2024, which had been recorded in equity.

7. Related Party Transactions

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

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Intelligo Technology Inc. and its subsidiaries	Associate
ASIX Electronics Corporation	Associate
AMobile Solutions Corp.	Associate
Sigmastar Technology Ltd. and its subsidiaries	Associate
Intellectual Property Innovation Corp. (Note 1)	Associate
MoMAGIC Technologies Private Limited	Associate
IC PLUS Corp. (Note 2)	Associate
King Yuan Electronics Co., Ltd. and its subsidiaries	Substantive related party

Note:

1. Due to the partial disposal of shares of Intellectual Property Innovation Corp. in June 2024, the Company lost significant influence over it. Investment in Intellectual Property Innovation Corp. was reclassified to financial assets at fair value through other comprehensive income. Accordingly, Intellectual Property Innovation Corp. was no longer an associate since that month.

2. IC PLUS Corp. was no longer an associate after the Company obtained control over it on July 1, 2024.

Significant transactions with the related parties

(1) Sales

Sales of goods

	For the years ended December 31	
	2024	2023
Associates		
Intelligo Technology Inc. and its subsidiaries	$ 109,534	$ 25,798
ASIX Electronics Corporation	223,742	108,202
AMobile Solutions Corp.	4,042	-
Subtotal	337,318	134,000
Services and other operating revenue		
Associates		
Sigmastar Technology Ltd. and its subsidiaries	99,549	97,530
Intellectual Property Innovation Corp.	292	-
AMobile Solutions Corp.	1,316	7,612
Subtotal	101,157	105,142
Total	$ 438,475	$ 239,142

The trade credit terms for associates were 30 days and third-party customers were 30 to 150 days. Third-party customers may pay their accounts in advance.

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

	For the years ended December 31	
	2024	2023
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	$ 7,780,786	$ 6,824,466

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

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

	For the years ended December 31	
	2024	2023
Associate		
Intelligo Technology Inc. and its subsidiaries	$ 119,080	$ 54,147
MoMAGIC Technologies Private Limited	527	3,729
AMobile Solutions Corp.	9,591	-
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	107,222	5,152
Total	$ 236,420	$ 63,028

(4) Other income

	For the years ended December 31	
	2024	2023
Associate		
ASIX Electronics Corporation	$ 2,290	$ 4,240
IC PLUS Corp.	50	-
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	3,928	-
Total	$ 6,268	$ 4,240

(5) Rental income

	For the years ended December 31	
	2024	2023
Associate		
Sigmastar Technology Ltd. and its subsidiaries	$ 906	$ 862

(6) Trade receivables from related parties

	December 31, 2024	December 31, 2023
Associate		
Intelligo Technology Inc. and its subsidiaries	$ 2,147	$ 3,391
ASIX Electronics Corporation	13,685	33,903
Sigmastar Technology Ltd. and its subsidiaries	24,834	16,168
Total	$ 40,666	$ 53,462

(7) Contract liabilities-current

	For the years ended December 31	
	2024	2023
Associate		
AMobile Solutions Corp.	$ -	$ 4,377

(8) Trade payables to related parties

	For the years ended December 31	
	2024	2023
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	$ 2,041,173	$ 1,919,652

(9) Other payables to related parties

	December 31, 2024	December 31, 2023
Associate		
Intelligo Technology Inc. and its subsidiaries	$ 54,110	$ 105,679
AMobile Solutions Corp.	3,122	
Other related parties		
King Yuan Electronics Co., Ltd. and its subsidiaries	4,478	2,950
Total	$ 61,710	$ 108,629

(10) Deposits received

	December 31, 2024	December 31, 2023
Associate		
Sigmastar Technology Ltd. and its subsidiaries	$ 161	$ 151

(11) Others

A. During the years ended December 31, 2024 and 2023, the Company acquired software from Intelligo Technology Inc. and its subsidiaries in the amount of NT$111,518 thousand and NT$16,001 thousand which was recorded as intangible assets, respectively.

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

(12) Key management personnel compensation

	For the years ended December 31	
	2024	2023
Short-term employee benefits (Note)	$ 3,483,787	$ 2,073,174
Share-based payment	260,190	449,106
Post-employment benefits	2,896	11,758
Total	$ 3,746,873	$ 2,534,038

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

8. Assets Pledged as Collateral

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

Assets pledged as collateral	Carrying amount December 31, 2024	Carrying amount December 31, 2023	Purpose of pledge
Financial assets measured at amortized cost-noncurrent	$ 62,372	$ 12,204	Lease execution deposits
Financial assets measured at amortized cost-noncurrent	25,574	79,126	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	96,079	92,543	Land lease guarantee
Financial assets measured at amortized cost-noncurrent	224,837	170,000	Performance bond
Total	$ 408,862	$ 353,873	

9. Contingencies and Off Balance Sheet Commitments

(1) Significant Commitment

A. Hsu-Yuan signed a contract with RB on June 14, 2022, to obtain a land usufruct of Shuxing Section in Zhubei City which is of 17,363.24 square meters. The duration of the superficies is from the date the registration was completed (July 6, 2022) to June 13, 2092.

Hsu-Yuan shall pay the land rent and a royalty as agreed by both parties during the contract period. Hsu-Yuan also needs to pay NT$170,000 thousand as a performance bond.

B. The Company entered into capacity reservation contracts with several suppliers. According to the contracts, the suppliers shall provide agreed production capacity with the Company after prepayments are made by the Company. As of December 31, 2023, the Company had written off certain unrecoverable prepayments and accrued provisions for certain unfulfillable contract obligations. As of December 31, 2024, the Company had reversed the provisions and regained refundable deposits in accordance with the amended contracts with certain suppliers.

(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 MTK and subsidiary MediaTek USA Inc. on September 17, 2020, alleging infringement of United States Patent Nos. 9,590,977 and 10,298,564. Philips transferred the accused patents to Media Content Protection LLC ("MCP") in August 2024 and MCP was substituted in as the plaintiff in place of Philips.

B. ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on November 10, 2022, alleging infringement of U.S. Patent Nos. 6,049,706, 6,266,518, 7,292,835 and 8,660,513.

ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on May 17, 2023, alleging infringement of U.S. Patent Nos. 7,483,686, 7,865,177 and 9,118,528.

ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on October 30, 2023, alleging infringement of U.S. Patent Nos. 7,050,508, 7,929,638 and 8,498,593.

C. MOSAID Technologies, Inc. filed a complaint in the United States District Court for the Eastern District of Texas against MTK and subsidiary MediaTek USA Inc. on March 28, 2023, alleging infringement of U.S. Patent Nos. 8,253,438, 8,854,077, 9,350,349, 7,224,563, 7,051,306, 7,945,885 and 7,996,811. Pursuant to the parties' joint motion to terminate, the court dismissed the case against MTK and its subsidiaries MediaTek USA Inc. on January 1, 2025.

D. Innomemory LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on May 26, 2023, alleging infringement of U.S. Patent No. 6,240,046. Pursuant to the plaintiff's motion for voluntary dismissal, the court dismissed the claims against MTK on April 24, 2024.

E. Realtek Semiconductor Corporation filed a complaint in the United States District Court for the Northern District of California against MTK on June 6, 2023, asserting claims based on alleged unfair competition.

F. Bell Northern Research, LLC filed a complaint in the United States District Court for the Central District of California against MTK subsidiaries, MediaTek USA Inc. and Mediatek Northern America Inc., on June 15, 2023, alleging infringement of U.S. Patent Nos. 8,416,862, 7,564,914 and RE 48,629. Plaintiff has submitted a petition for voluntary dismissal on May 31, 2024.

Bell Northern Research, LLC filed a complaint with the U.S. International Trade Commission against MTK and subsidiary MediaTek USA Inc. on June 21, 2023, alleging infringement of U.S. Patent Nos. 8,416,862, 7,564,914 and RE 48,629. Pursuant to the parties' joint motion to terminate, the Committee terminated the case against MTK and its subsidiary MediaTek USA Inc. on June 26, 2024.

G. Deepwell IP LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on September 19, 2023, alleging infringement of U.S. Patent Nos. 7,149,851, 7,645,664, 8,415,730, RE44,025. Pursuant to the parties' joint motion to dismiss the case, the court dismissed the claims against MTK on June 28, 2024.

H. LED Apogee LLC filed a complaint in the United States District Court for the Western District of Texas against MTK on January 16, 2024, alleging infringement of U.S. Patent No. 6,982,527. Plaintiff has submitted a petition for voluntary dismissal on April 18, 2024.

I. Redstone Logics LLC filed a complaint in the United States District Court for the Western District of Texas against MTK and subsidiary MediaTek USA Inc. on January 26, 2024, alleging infringement of U.S. Patent No. 8,549,339.

J. Daedalus Prime LLC filed a complaint in the German Dusseldorf Regional Court against MTK on March 21, 2024, alleging infringement of German Patent Nos. DE 11 2012 003 701 B4 and DE 11 2012 005 210 B4.

Daedalus Prime LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on April 8, 2024, alleging infringement of U.S. Patent Nos. 11,507,167, 10,705,960, 10,725,919, 10,740,281, 9,887,838, 10,372,197, 8,984,228, 8,769,316.

K. Huawei Technologies Co., Ltd. and Huawei Device Co., Ltd. filed complaints in the People's Republic of China for the Shenzhen Intermediate People's Court against MTK on May 14, 2024, alleging infringement of China Patent Nos. 201810244560.X, 201380002080.8 and 201110255576.9 and requesting for a ruling of rate setting.

Huawei Technologies Co., Ltd. and Beijing Huawei Digital Technologies Co., Ltd. filed complaints in the People's Republic of China for the Shanghai Intellectual Property Court against MTK on August 14, 2024, alleging infringement of China Patent Nos. 202210840878.0, 201910468451.0 and 201810774593.5.

Huawei Technologies Co., Ltd. and Beijing Huawei Digital Technologies Co., Ltd. filed complaints in the People's Republic of China for the Guangzhou Intellectual Property Court against MTK on August 20, 2024, alleging infringement of China Patent Nos. 201811180240.9 and 201710063709.X.

Huawei Technologies Co., Ltd. and Shanghai Huawei Technologies Co., Ltd. filed complaints in the People's Republic of China for the Hangzhou Intermediate People's Court against MTK on August 21, 2024, alleging infringement of China Patent Nos. 201810759037.0 and 202110217137.2.

L. VDPP LLC filed a complaint in the United States District Court for the Western District of Texas against MediaTek USA Inc. on August 2, 2024, alleging infringement of U.S. Patent No. 10,021,380. Pursuant to the Plaintiff's motion for voluntary dismissal, the court dismissed the claims against MediaTek USA Inc. on January 21, 2025.

M. CommWorks Solutions LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on August 27, 2024, alleging infringement of U.S. Patent Nos. 7,177,285, 7,463,596, 7,911,979, RE44,904, 7,027,465 and 6,891,807. Pursuant to the plaintiff's motion for voluntary dismissal, the court dismissed the claims against MTK on December 12, 2024.

N. ServStor Technologies LLC filed a complaint in the United States District Court for the Eastern District of Texas against MTK on September 19, 2024, alleging infringement of U.S. Patent Nos. 7,602,773, 7,643,476, 7,688,814 and 7,742,473. Pursuant to the Plaintiff's motion for voluntary dismissal, the court dismissed the claims against MTK on February 10, 2025.

Except for cases that were dismissed or terminated (cases C, D, F, G, H, L, M, N), the Company is unable to determine the outcome of the above matters at this time as these matters are currently pending; further evaluations will be conducted on a continuous basis. The Company will handle these cases carefully.

10. Losses due to Major Disasters

None

11. Significant Subsequent Events

In February, 2025, MTK's Board of Directors approved the proposed sale of assets related to the discrete timing controller ("Discrete TCON") owned by MTK and MediaTek Singapore Pte. Ltd., and the related technology in Discrete TCON to be licensed by MTK. The disposal amount is approximately USD 150 million, with an estimated gain on disposal of asset of NT$ 4,610 million.

12. Others

(1) Financial instruments

A. Categories of financial instruments

Financial assets

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss:		
Held for trading financial assets	$ 265,406	$ 20,591
Mandatorily measured at fair value through profit or loss (Note 1)	10,585,833	12,444,416
Subtotal	10,851,239	12,465,007
Financial assets at fair value through other comprehensive income	80,499,508	78,441,336
Financial assets measured at amortized cost (Note 2)	331,746,500	283,987,641
Total	$ 423,097,247	$ 374,893,984

Financial liabilities

	December 31, 2024	December 31, 2023
Financial liabilities at fair value through profit or loss:		
Held for trading financial liabilities	$ 4,229	$ 301,675
Financial liabilities at amortized cost:		
Short-term borrowings	940,000	2,200,000
Trade payables (including related parties)	40,776,506	38,779,040
Other payables (including related parties)	110,404,289	91,761,734
Long-term payables (including current portion and related parties)	10,660,491	10,230,990
Lease liabilities	9,370,308	8,897,836
Subtotal	172,151,594	151,869,600
Total	$ 172,155,823	$ 152,171,275

Notes:

1. Includes trade receivables classified as financial assets measured at fair value through profit or loss in the amount of NT$1,051,951 thousand and NT$1,922,492 thousand as of December 31, 2024 and 2023, respectively. Please refer to Note 6. (5) for further explanation.

2. Includes cash and cash equivalents (excluding cash on hand), financial assets measured at amortized cost, notes receivable, trade receivables (excluding financial assets measured at fair value through profit or loss of NT$1,051,951 thousand and NT$1,922,492 thousand as of December 31, 2024 and 2023, respectively. Please refer to Note 6. (5) for further explanation.), other receivables and finance lease receivables, net.

B. Fair values of financial instruments

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

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

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

(a) The carrying amount of cash and cash equivalents, trade receivables (including related parties), other receivables, short-term borrowings, trade payables (including related parties) and other payables (including related parties) approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

(d) The fair value of derivative financial instruments is based on market quotations. For unquoted derivatives that are not options, the fair value is determined based on discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the option pricing model.

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

b. Fair value of financial instruments measured at amortized cost

The carrying amount of some 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:

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
Assets measured at fair value:				
Financial assets at fair value through profit or loss				
Bonds	$ -	$ -	$ 1,648,978	$ 1,648,978
Linked deposits	-	-	2,629,495	2,629,495
Stocks	69,065	-	-	69,065
Funds	1,052,502	-	1,944,038	2,996,540
Trust funds	2,099,410	-	-	2,099,410
Capital	-	-	90,394	90,394
Forward exchange contracts	-	265,406	-	265,406
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	44,242,409	3,877,175	31,554,803	79,674,387
Debt instruments measured at fair value through other comprehensive income	623,905	-	201,216	825,121
Total	$ 48,087,291	$ 4,142,581	$ 38,068,924	$ 90,298,796
Liabilities measured at fair value:				
Financial liabilities at fair value through profit or loss				
Forward exchange contracts	$ -	$ 4,229	$ -	$ 4,229

As of December 31, 2023

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

For the years ended December 31, 2024 and 2023, amounts transferred from level 2 of the fair value hierarchy to level 1 due to the release of the stock transfer restrictions were nil and NT$368,457 thousand, respectively.

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 was as follows:

	Asset							
	Mandatorily measured at fair value through profit or loss				Measured at fair value through other comprehensive income			
	Bonds	Funds	Link deposits	Capital	Bonds	Capital	Stocks	Total
As of January 1, 2024	$ 1,541,120	$ 2,797,941	$ 2,736,431	$ -	$ 634,627	$ 22,111,167	$ 8,938,332	$ 38,759,618
Amount recognized in profit or loss	132,772	89,024	(44,177)	(590)	(246)	-	-	176,783
Amount recognized in OCI	-	-	-	-	14,499	(1,421,764)	764,485	(642,780)
Amount recognized in OCI-exchange differences	28,268	104,830	91,917	-	-	1,168,031	599,333	1,992,379
Acquisitions	98,304	9,437,945	589,824	90,984	-	1,355,867	1,868,873	13,441,797
Settlements	(151,486)	(10,485,702)	(744,500)	-	(447,664)	(536,555)	(334,011)	(12,699,918)
Transfer out of level 3	-	-	-	-	-	-	(2,958,955)	(2,958,955)
As of December 31, 2024	$ 1,648,978	$ 1,944,038	$ 2,629,495	$ 90,394	$ 201,216	$ 22,676,746	$ 8,878,057	$ 38,068,924

	Asset						
	Mandatorily measured at fair value through profit or loss			Measured at fair value through other comprehensive income			
	Bonds	Funds	Link deposits	Bonds	Capital	Stocks	Total
As of January 1, 2023	$ 1,480,393	$ 5,555,174	$ 4,993,444	$ 641,183	$ 49,386,393	$ 10,431,499	$ 72,488,086
Amount recognized in profit or loss	61,420	150,308	9,314	-	-	-	221,042
Amount recognized in OCI	-	-	-	5,406	(21,897,354)	(1,707,475)	(23,599,423)
Amount recognized in OCI-exchange differences	(319)	(141,412)	2,577	(11,962)	274,008	14,308	137,200
Acquisitions	67,270	9,463,962	100,000	-	1,735,077	359,831	11,726,140
Settlements	(67,644)	(12,230,091)	(2,368,904)	-	(7,395,580)	(95,601)	(22,157,820)
Others	-	-	-	-	8,623	-	8,623
Transfer out of level 3	-	-	-	-	-	(64,230)	(64,230)
As of December 31, 2023	$ 1,541,120	$ 2,797,941	$ 2,736,431	$ 634,627	$ 22,111,167	$ 8,938,332	$ 38,759,618

Total gains related to assets recognized for the years ended December 31, 2024 and 2023 amounted to NT$122,014 thousand and NT$122,814 thousand, respectively.

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

The Company's recurring fair value measurements in Level 3 of the fair value hierarchy and significant unobservable inputs of fair value measurement in Level 3 fair value hierarchy were as follows:

As of December 31, 2024:

	Valuation technique	Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:					
At fair value through other comprehensive income					
Stocks	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2024 by NT$437,250 thousand.
Capital	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2024 by NT$301,348 thousand.

As of December 31, 2023:

	Valuation technique	Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:					
At fair value through other comprehensive income					
Stocks	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2023 by NT$215,716 thousand.
Capital	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2023 by NT$33,367 thousand.

The Company's linked-deposits, funds and bonds 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 analyzed 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, 2024

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property	$ -	$ -	$ 4,150,239	$ 4,150,239

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property	$ -	$ -	$ 3,543,736	$ 3,543,736

D. Derivative financial instruments

The Company's derivative financial instruments held for trading were forward exchange contracts and cross-currency swap contracts. The related information was as follows:

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

Forward exchange contracts	Currency	Contract amount ('000)		Maturity
As of December 31, 2024	TWD to USD	Buy USD	500,000	January 2025
As of December 31, 2024	TWD to USD	Sell USD	17,000	January 2025
As of December 31, 2024	TWD to USD	Buy USD	60,000	February 2025
As of December 31, 2024	TWD to USD	Buy USD	330,000	March 2025
As of December 31, 2024	JPY to USD	Buy USD	1,297	June 2025
As of December 31, 2023	TWD to USD	Buy USD	500,000	January 2024
As of December 31, 2023	TWD to USD	Sell USD	17,470	January 2024
As of December 31, 2023	TWD to USD	Sell USD	4,470	February 2024
As of December 31, 2023	TWD to USD	Sell USD	3,250	March 2024
As of December 31, 2023	JPY to USD	Buy USD	1,443	June 2024

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

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

(2) Financial risk management objectives and policies

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

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

A. Market risk

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

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

a. Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expenses are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries. The Company reviews its assets and liabilities denominated in foreign currency and enters into forward exchange contracts and cross-currency swap contracts to hedge the exposure from exchange rate fluctuations. The level of hedging depends on the foreign currency requirements from each operating unit. As the purpose of holding forward exchange contracts and cross-currency swap contracts 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 and CNY. The information of the sensitivity analysis is as follows:

When NTD appreciates or depreciates against USD by 0.1%, the profit for the years ended December 31, 2024 and 2023 decreases/increases by NT$87,259 thousand and NT$44,897 thousand, while equity decreases/increases by NT$225,046 thousand and NT$217,151 thousand, respectively.

When NTD appreciates or depreciates against CNY by 0.1%, the profit for the years ended December 31, 2024 and 2023 decreases/increases by NT$2,147 thousand and NT$1,228 thousand, while equity decreases/increases by NT$24,152 thousand and NT$20,076 thousand, respectively.

b. Interest rate risk

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

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of the end of the reporting period, including investments and bank borrowings with variable interest rates. At the reporting date, an increase/decrease of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2024 and 2023 to increase/decrease by NT$868 thousand and NT$1,006 thousand, respectively.

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 company stocks and funds 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, 2024 and 2023 to increase/decrease by NT$691 thousand and NT$1,213 thousand, respectively.

A change of 1% in the price of the listed company 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, 2024 and 2023 to increase/decrease by NT$481,195 thousand and NT$461,958 thousand, respectively.

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

B. Credit risk management

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

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

As of December 31, 2024 and 2023, receivables from top ten customers represented 52.98%, and 62.46% of the total trade receivables of the Company, respectively. The credit concentration risk of other account receivables was insignificant.

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

Credit risk of credit-linked deposits, interest rate-linked deposits, exchange-linked deposits, index-linked deposits and convertible bonds arises if the issuing banks breached the contracts or the debt issuer could not pay off the debts; the maximum exposure is the carrying value of those financial instruments. Therefore, the Company minimized the risk by only transacting with counterparty 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 finance lease receivables which are measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Company makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates. The details of the assessment for the credit risk of the Company are described as follows:

Level of credit risk	Indicator	Measurement method for expected credit losses	Carrying amount December 31, 2024	Carrying amount December 31, 2023
Low credit risk	Credit risk measure belongs to IG category Counter parties with investment grade credit rating	12-month expected credit losses	$ 77,704,712	$ 59,107,560
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category Contract payment overdue 30 days	Lifetime expected credit losses	$ -	$ 261,079
Credit-impaired	Credit risk measure belongs to DS category or above Contract payment overdue 90 days Other impaired evidence	Lifetime expected credit losses	$ -	$ -
Simplified method (Note)	(Note)	Lifetime expected credit losses	$ 44,715,152	$ 56,620,050

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

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

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

C. Liquidity risk management

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

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Later than 5 years	Total
As of December 31, 2024				
Short-term borrowings	$ 941,781	$ -	$ -	$ 941,781
Trade payables (including related parties)	40,776,506	-	-	40,776,506
Other payables (including related parties)	110,403,371	-	-	110,403,371
Lease liabilities	1,064,205	2,222,828	8,823,111	12,110,144
Long-term payables	7,979,049	2,681,442	-	10,660,491
Total	$ 161,164,912	$ 4,904,270	$ 8,823,111	$ 174,892,293
As of December 31, 2023				
Short-term borrowings	$ 2,204,557	$ -	$ -	$ 2,204,557
Trade payables (including related parties)	38,779,040	-	-	38,779,040
Other payables (including related parties)	91,760,541	-	-	91,760,541
Lease liabilities	861,949	1,749,264	8,926,636	11,537,849
Long-term payables	5,626,183	4,604,807	-	10,230,990
Total	$ 139,232,270	$ 6,354,071	$ 8,926,636	$ 154,512,977

Derivative financial liabilities

	Less than 1 year	1 to 5 years	Total
As of December 31, 2024			
Gross settlement			
Forward exchange contracts			
Inflow	$ 595,280	$ -	$ 595,280
Outflow	(599,852)	-	(599,852)
Net	$ (4,572)	$ -	$ (4,572)
As of December 31, 2023			
Gross settlement			
Forward exchange contracts			
Inflow	$ 44,358	$ -	$ 44,358
Outflow	(44,761)	-	(44,761)
Net	(403)	$ -	(403)
Net settlement			
Forward exchange contracts	(301,272)	-	(301,272)
Total	$ (301,675)	$ -	$ (301,675)

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, 2024:

	Short-term borrowings	Lease liabilities	Deposits received	Total liabilities from financing activities
As of January 1, 2024	$ 2,200,000	$ 8,897,836	$ 211,796	$ 11,309,632
Cash flows	(1,260,000)	(901,987)	(16,003)	(2,177,990)
Non-cash movement	-	1,374,459	607	1,375,066
As of December 31, 2024	$ 940,000	$ 9,370,308	$ 196,400	$ 10,506,708

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

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

(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, 2024		
	Foreign Currency (thousand)	Exchange rate	NT$ (thousand)
Financial assets			
Monetary item:			
USD	$ 6,589,503	32.768	$ 215,924,807
CNY	$ 591,827	4.477	$ 2,649,392
Non-monetary item:			
USD	$ 3,877,613	32.768	$ 127,061,636
CNY	$ 5,395,062	4.477	$ 24,151,694
Financial liabilities			
Monetary item:			
USD	$ 1,785,130	32.768	$ 58,490,359
CNY	$ 112,148	4.477	$ 502,045

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

The above information is disclosed based on the carrying amounts of foreign currencies (after conversion to the Company's functional currency.)

Functional currencies of entities of the Company are varied. Accordingly, the Company is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange losses for the years ended December 31, 2024 and 2023 please refer to Note 6. (27).

(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, 2024: Please refer to Attachment 1.
B. Endorsement/Guarantee provided to others for the year ended December 31, 2024: Please refer to Attachment 2.
C. Securities held as of December 31, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: 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, 2024: Please refer to Attachment 7.

I. Financial instruments and derivative transactions: Please refer to Note 12.
J. Others: The business relationship between the parent and the subsidiaries and significant transactions between them: Please refer to Attachment 8.

(2) Information on investees

Relevant information of investees over which the Company has direct or indirect significant influence or control, or jointly control (excluding investees in Mainland China). Please refer to Attachment 9.

(3) Investment in Mainland China

A. Relevant information of investees over which the Company has direct or indirect significant influence or control, or jointly control, which discloses investee company name, main business and products, total amount of capital, method of investment, accumulated inflows and outflows of investments from Taiwan, percentage of ownership, net income (loss), investment income (loss), carrying amount of investments, accumulated inward remittance of earnings and limits on investment in Mainland China: Please refer to Attachment 10.

B. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please refer to Attachment 1 and Attachment 8

(4) Main shareholder information

None.

14. Segment Information

(1) General information

The major sales of the Company come from multimedia and mobile phone chips and other integrated circuit design products. The chief operating decision maker reviews the overall operating results to make decisions about resources to be allocated to and evaluates the overall performance. Therefore, the Company is aggregated into a single segment.

(2) Geographical information

A. Net sales from external customers

	For the years ended December 31	
	2024	2023
Taiwan	$ 29,372,704	$ 27,614,086
Asia	487,633,087	393,288,434
Others	13,580,095	12,543,810
Total	$ 530,585,886	$ 433,446,330

Net sales are classified by customers' countries.

B. Non-current assets

	December 31, 2024	December 31, 2023
Taiwan	$ 132,168,242	$ 133,923,831
Asia	25,365,351	35,807,275
Others	2,351,934	1,793,117
Total	$ 159,885,527	$ 171,524,223

(3) Major customers

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

	For the years ended December 31	
	2024	2023
Customer A	$ 79,179,427	$ 50,496,067
Customer B	64,740,540	48,676,082
Customer C	64,472,495	47,201,879
Total	$ 208,392,462	$ 146,374,028

MEDIATEK INC. AND SUBSIDIARIES
FINANCING PROVIDED TO OTHERS
For the year ended December 31, 2024

Attachment 1

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

NO.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)	Ending Balance	Amount Actually Drawn	Interest Rate (Note 3)	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.(Note4)	MediaTek (Shanghai) Inc.	Other receivables from related party	Yes	$ 1,548,108 CNY 340,000	-	-	-	-	-	-	-	-	-	-	-
2	Hsu Kang (Samoa) Investment Ltd.(Note4)	MediaTek (Shenzhen) Inc.	Other receivables from related party	Yes	$ 692,096 CNY 152,000	-	-	-	-	-	-	-	-	-	-	-
3	Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Other receivables from related party	Yes	$ 318,728 CNY 70,000	$ 313,364 CNY 70,000	$ 313,364 CNY 70,000	3.00%	Short-term financing	-	Constructing Building	-	NA	-	$ 17,740,779 CNY 3,962,976	$ 17,740,779 CNY 3,962,976
		MediaTek (Shanghai) Inc.	Other receivables from related party	Yes	$ 1,079,345 CNY 240,000	$ 1,074,391 CNY 240,000	$ 1,074,391 CNY 240,000	3.00%	Short-term financing	-	Constructing Building	-	NA	-	$ 17,740,779 CNY 3,962,976	$ 17,740,779 CNY 3,962,976
		MediaTek (Wuhan) Inc.	Other receivables from related party	Yes	$ 1,165,759 CNY 260,000	$ 895,326 CNY 200,000	$ 895,326 CNY 200,000	3.00%	Short-term financing	-	Constructing Building	-	NA	-	$ 17,740,779 CNY 3,962,976	$ 17,740,779 CNY 3,962,976
4	Hsu Zhan (HK) Investment Limited	Gaintech Co Limited	Other receivables from related party	Yes	$ 14,802,750 USD 450,000	$ 14,745,600 USD 450,000	$ 13,565,952 USD 414,000	6.59%	Short-term financing	-	Operating Capital	-	NA	-	$ 78,603,444 USD 2,398,787	$ 78,603,444 USD 2,398,787
		MediaTek Japan Inc.	Other receivables from related party	Yes	$ 44,448 JPY 200,000	$ 41,960 JPY 200,000	$ 41,960 JPY 200,000	1.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 78,603,444 USD 2,398,787	$ 78,603,444 USD 2,398,787
5	Digimoc Holdings Limited	Gaintech Co Limited	Other receivables from related party	Yes	$ 6,542,816 USD 198,900	$ 5,845,811 USD 178,400	$ 5,354,291 USD 163,400	0.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 50,815,701 USD 1,550,772	$ 50,815,701 USD 1,550,772
6	MTKC Global Holdings Co. Limited	Gaintech Co Limited	Other receivables from related party	Yes	$ 3,788,445 USD 118,400	$ 3,552,051 USD 108,400	$ 3,552,051 USD 108,400	0.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 11,526,534 USD 351,762	$ 11,526,534 USD 351,762
7	Gaintech Co Limited	MediaTek Inc.	Other receivables from related party	Yes	$ 82,237,500 USD 2,500,000	$ 81,920,000 USD 2,500,000	$ 68,485,120 USD 2,090,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 219,273,294 USD 6,691,690	$ 219,273,294 USD 6,691,690
8	Lepower (HK) Limited	Gaintech Co Limited	Other receivables from related party	Yes	$ 1,200,668 USD 36,500	$ 868,352 USD 26,500	$ 868,352 USD 26,500	6.60%	Short-term financing	-	Operating Capital	-	NA	-	$ 3,209,988 CNY 717,055	$ 3,209,988 CNY 717,055
9	Gold Rich International (HK) Limited	Gaintech Co Limited	Other receivables from related party	Yes	$ 657,900 USD 20,000	$ 655,360 USD 20,000	$ 655,360 USD 20,000	6.60%	Short-term financing	-	Operating Capital	-	NA	-	$ 6,034,559 USD 184,160	$ 6,034,559 USD 184,160
10	Cloud Ranger Limited	Gaintech Co Limited	Other receivables from related party	Yes	$ 822,375 USD 25,000	$ 819,200 USD 25,000	$ 819,200 USD 25,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	$ 1,412,819 USD 43,116	$ 1,412,819 USD 43,116
11	MediaTek Singapore Pte. Ltd.	Gaintech Co Limited	Other receivables from related party	Yes	$ 19,660,800 USD 600,000	$ 19,660,800 USD 600,000	$ 8,192,000 USD 250,000	6.40%	Short-term financing	-	Operating Capital	-	NA	-	$ 83,608,609 USD 2,551,532	$ 83,608,609 USD 2,551,532
12	Hsiang Fa Co.	MediaTek Capital Co.	Other receivables from related party	Yes	$ 1,100,000	$ 1,100,000	$ 850,000	2.20%	Short-term financing	-	Operating Capital	-	NA	-	$ 1,726,525	$ 6,906,100

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, LePower (HK) Limited, Gold Rich International (HK) Limited, Cloud Ranger Limited, Mediatek Singapore Pte. Ltd. and Hsiang Fa Co. required:
A. The total amount for lending shall not exceed 40% of the lender's net worth,
B. The maximum amount lendable to a single company is 10% of the lender's net worth, and
C. Fund lending between foreign subsidiaries held directly or indirectly by the lender with 100% of voting stocks or foreign subsidiaries held directly or indirectly by the lender with 100% of voting stocks to MediaTek Inc. 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.

Note 3: The attachment above indicates the financing between subsidiary that are 100% owned within the group, related interest expense and income are recognized in the individual company accounts. There is no impact on th overall profit or loss of the group when preparing the consolidated financial statements.

Note 4: For the purpose of reorganization, Hsu Chia (Samoa) Investment Ltd. and Hsu Kang (Samoa) Investment Ltd. were dissolved due to merger into Hsu Fa (Samoa) Investment Ltd. on November 30, 2024.

MEDIATEK INC. AND SUBSIDIARIES
ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
For the year ended December 31, 2024

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	$79,325,415 (Note 1)	$ 24,000,000	$ 24,000,000	$ -	$ -	6.05%	$ 198,313,539 (Note 1)	Y	N	N
		MediaTek China Limited	A	$79,325,415 (Note 1)	$ 9,000,000	$ 9,000,000	$ -	$ -	2.27%		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. AND SUBSIDIARIES

SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)

For the year ended December 31, 2024

Attachment 3

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	December 31, 2024				
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership(%)	Fair Value (Note 3)	Note
Financial assets mandatorily measured at fair value through profit or loss- current	Funds	Fubon Bank (China) Co., Ltd	MStar Software R&D (Shenzhen), Ltd.	-	CNY 117,100	-	CNY 117,100	-
		Fubon Bank (China) Co., Ltd	MediaTek (Chengdu) Inc.	-	CNY 10,000	-	CNY 10,000	-
		Fubon Bank (China) Co., Ltd	MediaTek (Shenzhen) Inc.	-	CNY 40,000	-	CNY 40,000	-
		Fubon Bank (China) Co., Ltd	MediaTek (Beijing) Inc.	-	CNY 190,000	-	CNY 190,000	-
		KGI Securities Co., Ltd.	MediaTek Inc.	62,570,966	$ 1,052,502	-	$ 1,052,502	-
	Linked Deposits	BNP Paribas	Hsu Zhan (HK) Investment Limited	-	USD 9,957	-	USD 9,957	-
		Giant Manufacturing Co. Ltd.	MediaTek Inc.	-	$ 201,448	-	$ 201,448	-
		HSBC Holdings plc	Hsu Zhan (HK) Investment Limited	-	USD 9,965	-	USD 9,965	-
		Standard Chartered	Hsu Zhan (HK) Investment Limited	-	USD 9,990	-	USD 9,990	-
		Taishin Financial Holding Co., Ltd.	MediaTek Inc.	-	$ 295,892	-	$ 295,892	-
		Taishin Financial Holding Co., Ltd.	Hsiang Fa Co.	-	$ 80,242	-	$ 80,242	-
		UB Venture II	Hsu Zhan (HK) Investment Limited	-	USD 9,945	-	USD 9,945	-
	Bonds	Carsome Group Convertible Promissory Note	MTKC Global Holdings Co. Limited	-	USD 11,783	-	USD 11,783	-
		Recogtek Limited	Lepower (HK) Limited	-	CNY 7,777	-	CNY 7,777	-
		Ganzin Technology, Inc.	Hsiang Fa Co.	-	$ 14,377	-	$ 14,377	-
	Stocks	Dadi Early-Childhood Education Group Ltd.	IC PLUS Corp.	1,454,595	$ 35,565	3%	$ 35,565	-
Financial assets mandatorily measured at fair value through profit or loss- noncurrent	Trust Funds	Trust Funds	MediaTek USA Inc.	-	USD 64,069	-	USD 64,069	-
	Funds	Cypress Capital Wealth Management SPC	Gaintech Co. Limited	-	USD 10,542	-	USD 10,542	-
	Linked Deposits	JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD 17,762	-	USD 17,762	-
		Ventana Micro Systems Inc.	MTKC Global Holdings Co. Limited	-	USD 5,000	-	USD 5,000	-
	Capital	UB Venture II	Digimoc Holdings Limited	-	USD 848	-	USD 848	-
		Silicon Catalyst Venture Fund, LLC - Series-1	Digimoc Holdings Limited	-	USD 1,482	-	USD 1,482	-
		The Access Fund, LP	Digimoc Holdings Limited	-	USD 428	-	USD 428	-
	Bonds	ENNOCONN CORPORATION	Hsiang Fa Co.	-	$ 1,177,968	-	$ 1,177,968	-
		System Elite	MTKC Global Holdings Co. Limited	-	USD 1,090	-	USD 1,090	-
	Stocks	Shin Kong Financial Holding Co., Ltd., Preferred Stock A	MediaTek Inc.	945,000	$ 33,500	0%	$ 33,500	-
Equity instrument investments measured at fair value through other comprehensive income- current	Stocks	DigiSpice Technologies Limited	MediaTek India Technology Pvt. Ltd.	4,623,800	INR 151,152	2%	INR 151,152	-
		Andes Technology Corporation	Hsiang Fa Co.	3,249,324	$ 1,346,845	6%	$ 1,346,845	-
		CHUNGHWA PRECISION TEST TECH. CO., LTD.	Hsiang Fa Co.	351,000	$ 309,582	1%	$ 309,582	-
		Shenzhen Goodix Technology Co., Ltd.	Gold Rich International (HK) Limited	13,126,705	USD 138,910	3%	USD 138,910	-
Debt instrument investments measured at fair value through other comprehensive income- noncurrent	Bonds	Chailease Finance Co., Ltd.	MediaTek Inc.	-	$ 201,216	-	$ 201,216	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	Hsu Zhan (HK) Investment Limited	-	USD 19,040	-	USD 19,040	-
Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Stocks	Aeonsemi, Inc.	Digimoc Holdings Limited	1,417,657	USD 20,210	6%	USD 20,210	-
		Aeonsemi, Inc.	Airoha Technology Corp.	561,159	$ 260,360	2%	$ 260,360	-
		Adoresys Pte. Ltd.	MTKC Global Holdings Co. Limited	15,833,333	USD 9,500	14%	USD 9,500	-
		Ambiq Micro, Inc.	Cloud Ranger Limited	3,809,900	USD 3,445	1%	USD 3,445	-
		Ambiq Micro, Inc.	Digimoc Holdings Limited	8,205,734	USD 7,419	2%	USD 7,419	-
		Arm Holdings plc	Gaintech Co. Limited	200,096	USD 24,684	0%	USD 24,684	-
		Asia Global Venture Capital II Co., Ltd.	Richtek Technology Corp.	440,979	$ 15,451	10%	$ 15,451	-
		AutoX, Inc.	Gaintech Co. Limited	5,444,300	USD 8,041	0%	USD 8,041	-
		AutoX, Inc.	Digimoc Holdings Limited	55,009,500	USD 81,249	3%	USD 81,249	-
		CAROTA Corporation	Digimoc Holdings Limited	1,556,210	USD 234	4%	USD 234	-
		DiDi Global Inc.	Gaintech Co. Limited	250,022	USD 4,510	0%	USD 4,510	-
		DSP Concepts, Inc.	Digimoc Holdings Limited	1,132,118	USD 2,750	2%	USD 2,750	-
		Easy-Logic Technology Holding (Cayman) Limited	Gaintech Co. Limited	842,734	USD 1,361	3%	USD 1,361	-
		Expedera, Inc.	Gaintech Co. Limited	7,151,085	USD 5,435	7%	USD 5,435	-
		FaceHeart Corporation	Digimoc Holdings Limited	2,000,000	USD 3,200	10%	USD 3,200	-
		General Mobile Corporation	Digimoc Holdings Limited	1,676,949	USD 235	15%	USD 235	-
		Innovation Works Limited	Gaintech Co. Limited	2,000,000	USD 106	4%	USD 106	-
		ITH Corporation	Gaintech Co. Limited	53,889,085	USD 82,143	11%	USD 82,143	-
		KALEIDOS, INC.	MTKC Global Holdings Co. Limited	516,191	USD 979	2%	USD 979	-
		NeuroBlade Ltd.	MTKC Global Holdings Co. Limited	2,437,370	USD 5,539	4%	USD 5,539	-
		PATH ROBOTICS, INC.	Digimoc Holdings Limited	917,547	USD 5,000	2%	USD 5,000	-
		PROTEANTECS LTD.	MTKC Global Holdings Co. Limited	251,981	USD 3,846	1%	USD 3,846	-
		Puga Holdings Limited	Digimoc Holdings Limited	2,500	USD 5,000	6%	USD 5,000	-

(To be continued)

(Continued)

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	December 31, 2024				
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership(%)	Fair Value (Note 3)	Note
Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Stocks	RIVOS INC.	Digimoc Holdings Limited	2,567,568	USD 5,000	1%	USD 5,000	-
		SandTek Corporation	MTKC Global Holdings Co. Limited	706,023	USD 20,651	9%	USD 20,651	-
		Scaleflux Inc.	Cloud Ranger Limited	2,096,587	USD 5,298	2%	USD 5,298	-
		SIMO Holdings Inc.	Digimoc Holdings Limited	11,292,110	USD 5,200	13%	USD 5,200	-
		SIMO Holdings Inc.	Gaintech Co. Limited	817,239	USD 376	1%	USD 376	-
		Stathera IP Holdings Inc.	MTKC Global Holdings Co. Limited	65,083	USD 991	2%	USD 991	-
		SweGaN AB	MTKC Global Holdings Co. Limited	19,366	USD 1,075	3%	USD 1,075	-
		Transsnet FinTech Group	MTKC Global Holdings Co. Limited	14,256,620	USD 19,389	2%	USD 19,389	-
		TRANSSNET TECHNOLOGY INC.	Cloud Ranger Limited	1,970,316	USD 7,799	8%	USD 7,799	-
		TXOne Networks Inc.	MTKC Global Holdings Co. Limited	909,090	USD 5,000	1%	USD 5,000	-
		Universal Grammar Ltd.	MTKC Global Holdings Co. Limited	24,021	USD 661	9%	USD 661	-
		VisIC Technologies Ltd.	MTKC Global Holdings Co. Limited	40,352	USD 142	0%	USD 142	-
		ZENTERA SYSTEMS, INC.	Digimoc Holdings Limited	588,235	USD 2,000	2%	USD 2,000	-
		WT Microelectronics Preferred Stock A	MediaTek Inc.	8,241,000	$ 410,402	1%	$ 410,402	-
		Chailease Finance Co., Ltd. Preferred Stock A	MediaTek Inc.	2,750,000	$ 269,775	0%	$ 269,775	-
		FUBON Financial Holding Co., Ltd., Preferred Stock B	MediaTek Inc.	15,000,000	$ 907,500	0%	$ 907,500	-
		FUBON Financial Holding Co., Ltd., Preferred Stock A	MediaTek Inc.	1,786,666	$ 112,917	0%	$ 112,917	-
		FUBON Financial Holding Co., Ltd., Preferred Stock C	MediaTek Inc.	7,056,243	$ 375,392	0%	$ 375,392	-
		Intellectual Property Innovation Corp.	MediaTek Inc.	500,000	$ 4,385	5%	$ 4,385	-
		Cathay Financial Holdings preferred stockA	MediaTek Inc.	2,405,000	$ 146,705	0%	$ 146,705	-
		Taishin Financial Holding Co., Ltd. exchangeable preferred stock	MediaTek Inc.	45,325,000	$ 725,200	0%	$ 725,200	-
		Shin Kong Financial Holding Co., Ltd., Preferred Stock B	MediaTek Inc.	6,078,000	$ 214,857	0%	$ 214,857	-
		Shenzhen ORVIBO Technology Co., Ltd.	Xuxin Investment (Shanghai) Inc.	1,419,593	CNY 14,031	2%	CNY 14,031	-
		MediaTek Inc.	Hsiang Fa Co.	7,794,085	$ 11,028,630	0%	$ 11,028,630	1
		International Trust Machines Corporation.	Hsiang Fa Co.	2,500,000	$ 88	2%	$ 88	-
		Taiwania Capital Buffalo Fund Co., Ltd.	Hsiang Fa Co.	231,500,000	$ 173,738	5%	$ 173,738	-
		Shenzhen Transsion Holding Co., Ltd.	Digimoc Holdings Limited	71,573,109	USD 928,911	6%	USD 928,911	-
		Jiangsu Silicon Integrity Semiconductor Technology Limited Company	Gaintech Co. Limited	3,000,000	USD 2,862	0%	USD 2,862	-
		Vastai Technologies (Shanghai) Inc.	MTKC Global Holdings Co. Limited	4,252,861	USD 3,272	1%	USD 3,272	-
		Mars Semiconductor Corp.	Hsiang Fa Co.	2,103,982	$ 99,624	7%	$ 99,624	-
		AI Speech Co., Ltd.	MediaTek (Beijing) Inc.	4,638,600	CNY 75,907	1%	CNY 75,907	-
		FUBON Financial Holding Co., Ltd., Preferred Stock C	MediaTek Capital Co.	77,284	$ 4,112	0%	$ 4,112	-
		FUBON Financial Holding Co., Ltd., Preferred Stock B	MediaTek Capital Co.	3,333,000	$ 201,647	0%	$ 201,647	-
		ALCHIP TECHNOLOGIES, INC.	MediaTek Capital Co.	450,000	$ 1,185,498	1%	$ 1,185,498	-
		WT Microelectronics Preferred Stock A	MediaTek Capital Co.	5,800,000	$ 288,840	0%	$ 288,840	-
		BE Epitaxy Semiconductor Technology Co., Ltd.	MediaTek Capital Co.	1,000,000	$ 50,000	7%	$ 50,000	-
		Chailease Finance Co., Ltd. Preferred Stock A	MediaTek Capital Co.	2,000,000	$ 196,200	0%	$ 196,200	-
	Capital	Achi Capital Partners Fund LP	Digimoc Holdings Limited	-	USD 30,176	-	USD 30,176	-
		Amiti Fund II, L.P.	Digimoc Holdings Limited	-	USD 8,785	-	USD 8,785	-
		Celesta Capital I, L.P.	Digimoc Holdings Limited	-	USD 820	-	USD 820	-
		Celesta Capital II, L.P.	Digimoc Holdings Limited	-	USD 11,647	-	USD 11,647	-
		Celesta Capital III, L.P.	Digimoc Holdings Limited	-	USD 15,462	-	USD 15,462	-
		Walden Technology Venture II,L.P.	Gaintech Co. Limited	-	USD 11,260	-	USD 11,260	-
		Cypress Frontline Venture Fund L.P.	Digimoc Holdings Limited	-	USD 2,936	-	USD 2,936	-
		Innovation Works Development Fund, L.P.	Gaintech Co. Limited	-	USD 896	-	USD 896	-
		NOZOMI FUND	Gaintech Co. Limited	-	USD 0	-	USD 0	-
		Phi Fund, L.P.	Gaintech Co. Limited	-	USD 9,015	-	USD 9,015	-
		PVG GCN VENTURES, L.P.	Gaintech Co. Limited	-	USD 594	-	USD 594	-
		SoftBank PrinceVille Investments, L.P.	Gaintech Co. Limited	-	USD 2,164	-	USD 2,164	-
		Walden Catalyst Ventures, L.P.	Digimoc Holdings Limited	-	USD 7,199	-	USD 7,199	-
		Walden Technology Ventures III, L.P.	Gaintech Co. Limited	-	USD 47,225	-	USD 47,225	-
		Walden Technology Ventures IV, L.P.	Digimoc Holdings Limited	-	USD 4,225	-	USD 4,225	-
		ALL-STARS INVESTMENT FUND	Gaintech Co. Limited	-	USD 369	-	USD 369	-
		Amiti Fund III, L.P.	MTKC Global Holdings Co. Limited	-	USD 2,396	-	USD 2,396	-

(To be continued)

(Continued)

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	December 31, 2024				
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership(%)	Fair Value (Note 3)	Note
Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Capital	Amiti IV L.P.	MTKC Global Holdings Co. Limited	-	USD 976	-	USD 976	-
		Bain Capital Tech Opportunities Fund II, L.P.	MTKC Global Holdings Co. Limited	-	USD 2,308	-	USD 2,308	-
		Bain Capital Tech Opportunities Fund, L.P.	Gaintech Co. Limited	-	USD 5,251	-	USD 5,251	-
		BCV CRYPTO FUND I-A, L.P.	MTKC Global Holdings Co. Limited	-	USD 3,063	-	USD 3,063	-
		Beijing Integrated Circuit Industry International Fund, L.P.	Gaintech Co. Limited	-	USD 3,415	-	USD 3,415	-
		Black Cyber Limited	MTKC Global Holdings Co. Limited	-	USD 1,992	-	USD 1,992	-
		CHINA BROADBAND CAPITAL PARTNERS II, L.P.	Gaintech Co. Limited	-	USD 6,778	-	USD 6,778	-
		China Broadband Capital Partners III, L.P.	Gaintech Co. Limited	-	USD 11,714	-	USD 11,714	-
		China Prosperity Capital Mobile	Gaintech Co. Limited	-	USD 4,470	-	USD 4,470	-
		Clounix Limited	Lepower (HK) Limited	-	CNY 47,096	-	CNY 47,096	-
		Decibel Partners II, LP	MTKC Global Holdings Co. Limited	-	USD 3,197	-	USD 3,197	-
		HEVC ADVANCE LLC	MediaTek USA Inc.	-	USD 7,257	-	USD 7,257	-
		HOPU USD Master Fund III, L.P.	Gaintech Co. Limited	-	USD 40,224	-	USD 40,224	-
		Hua Capital Integrated Circuit Fund L.P.	MTKC Global Holdings Co. Limited	-	USD 9,523	-	USD 9,523	-
		IIH Strategic M&A Fund, L.P.	Gaintech Co. Limited	-	USD 3,691	-	USD 3,691	-
		Intudo Ventures II, L.P.	MTKC Global Holdings Co. Limited	-	USD 3,240	-	USD 3,240	-
		Intudo Ventures III, L.P.	MTKC Global Holdings Co. Limited	-	USD 2,021	-	USD 2,021	-
		Matter Venture Fund I, L.P.	MTKC Global Holdings Co. Limited	-	USD 3,595	-	USD 3,595	-
		New Trail Capital, L.P.	MTKC Global Holdings Co. Limited	-	USD 3,139	-	USD 3,139	-
		Ondine Sea Fund II	MTKC Global Holdings Co. Limited	-	USD 4,220	-	USD 4,220	-
		Palm Drive Capital III L.P.	MTKC Global Holdings Co. Limited	-	USD 2,113	-	USD 2,113	-
		Prime Movers Growth Fund I L.P.	MTKC Global Holdings Co. Limited	-	USD 4,562	-	USD 4,562	-
		Symbol Fund I LP	MTKC Global Holdings Co. Limited	-	USD 1,162	-	USD 1,162	-
		Vertex Ventures (SG) SEA V LP	MTKC Global Holdings Co. Limited	-	USD 186	-	USD 186	-
		Vertex Ventures(SG) SEA IV LP	MTKC Global Holdings Co. Limited	-	USD 3,564	-	USD 3,564	-
		Viola Ventures VI, L.P.	MTKC Global Holdings Co. Limited	-	USD 2,869	-	USD 2,869	-
		SERAPHIC Information Technology (Shanghai) Co., Ltd.	Digimoc Holdings Limited	-	USD 149	-	USD 149	-
		Suzhou Foohu Technology Co., Ltd.	Gaintech Co. Limited	-	USD 420	-	USD 420	-
		Shanghai Walden Venture Capital Enterprise	Gaintech Co. Limited	-	USD 33,384	-	USD 33,384	-
		Shanghai Summitview IC M AND A Investment Limited partnership	Gaintech Co. Limited	-	USD 119,680	-	USD 119,680	-
		Kun Qiao Phase II (Suzhou) Emerging Industry Venture Capital Partnership (L.P.)	Hefei Xuhui Management Consulting Co. Ltd.	-	CNY 20,034	-	CNY 20,034	-
		Kun Qiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (L.P.)	Hefei Xuhui Management Consulting Co. Ltd.	-	CNY 145,712	-	CNY 145,712	-
		Kun Qiao (Shenzhen) Semiconductor Industry Equity Investment Fund	Hefei Xuhui Management Consulting Co. Ltd.	-	CNY 431,215	-	CNY 431,215	-
		Hangzhou Ultraception Technology Co., Ltd.	Xuxin Investment (Shanghai) Inc.	-	CNY 14,575	-	CNY 14,575	-
		Shanghai Yiqi Information Technology Co. Ltd.	Xuxin Investment (Shanghai) Inc.	-	CNY 2,399	-	CNY 2,399	-
		Mesh Cooperative Ventures Fund LP	Hsiang Fa Co.	-	$ 59,274	-	$ 59,274	-
		Maxone Semiconductor (Suzhou) Co., Ltd.	Lepower (HK) Limited	-	CNY 77,248	-	CNY 77,248	-
		AaltoSemi Inc.	Lepower (HK) Limited	-	CNY 75,488	-	CNY 75,488	-
		Beijing Hanwei Innovation Techonology Co.,Ltd.	Lepower (HK) Limited	-	CNY 19,126	-	CNY 19,126	-
		Shanghai Summit View Pujiang Equity Investment Limited Partnership II	MediaTek (Shanghai) Inc.	-	CNY 172,692	-	CNY 172,692	-
		Nanjing AutoAI Technology Co., Ltd.	MediaTek (Shenzhen) Inc.	-	CNY 405,455	-	CNY 405,455	-
		Shanghai Summit View Pujiang Equity Investment Limited Partnership II	MediaTek (Shenzhen) Inc.	-	CNY 60,680	-	CNY 60,680	-
		Shanghai UniVista Industrial Software Group Co., Ltd.	MediaTek (Shenzhen) Inc.	-	CNY 114,489	-	CNY 114,489	-
		Hebei Changjiang Nio new energy industry investment fund partnership firm (limited partnership)	MediaTek (Beijing) Inc.	-	CNY 200,136	-	CNY 200,136	-
		Shanghai Internet Of Things VC Fund II	MediaTek (Beijing) Inc.	-	CNY 20,904	-	CNY 20,904	-
	Funds	Fund issued by Fubon Financial Holding Co., Ltd.	MediaTek Inc.	30,165,000	$ 381,730	-	$ 381,730	-
		Fund issued by Cathay Financial Holdings Co., Ltd	MediaTek Inc.	145,703,000	$ 2,246,217	-	$ 2,246,217	-
Financial assets measured at amortized cost- current	Bonds	Australia and New Zealand Banking Group Limited	Hsu Zhan (HK) Investment Limited	-	USD 9,018	-	USD 9,042	-
		Baidu, Inc.	MediaTek Inc.	-	$ 42,451	-	$ 47,808	-
		Barclays Plc	Hsu Fa (Samoa) Investment Ltd.	-	CNY 138,998	-	CNY 140,073	-
		Citigroup Inc.	Hsu Zhan (HK) Investment Limited	-	USD 19,900	-	USD 19,430	-
		Formosa Plastics Group	Hsu Zhan (HK) Investment Limited	-	USD 9,980	-	USD 9,941	-
		Foxconn Technology Group	Hsu Zhan (HK) Investment Limited	-	USD 9,817	-	USD 9,725	-
		Fubon Bank (China) Co., Ltd	Hsu Fa (Samoa) Investment Ltd.	-	CNY 150,000	-	CNY 150,000	-
		International Business Machines Corporation	Hsu Zhan (HK) Investment Limited	-	USD 9,813	-	USD 9,762	-

(To be continued)

(Continued)

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	December 31, 2024				
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership(%)	Fair Value (Note 3)	Note
Financial assets measured at amortized cost- current	Bonds	JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD 19,800	-	USD 20,055	-
		Tencent Music Entertainment Group	MediaTek Inc.	-	$ 157,036	-	$ 174,047	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	Hsu Zhan (HK) Investment Limited	-	USD 8,734	-	USD 8,724	
Financial assets measured at amortized cost- noncurrent	Bonds	Advanced Micro Devices, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 16,915	-	USD 16,451	-
		Amazon.com, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 42,497	-	USD 43,086	-
		Bank of America Corporation	Hsu Zhan (HK) Investment Limited	-	USD 111,060	-	USD 111,104	-
		Bank of America Corporation	Hsu Fa (Samoa) Investment Ltd.	-	CNY 325,000	-	CNY 323,695	-
		BNP Paribas	Hsu Zhan (HK) Investment Limited	-	USD 15,421	-	USD 15,422	-
		Cathay Financial Holdings Co., Ltd	MediaTek Inc.	-	$ 290,000	-	$ 291,325	-
		Cathay Life Insurance.	MediaTek Inc.	-	$ 290,000	-	$ 292,757	-
		Cathay Life Insurance.	Hsu Zhan (HK) Investment Limited	-	USD 30,000	-	USD 30,165	-
		Cathay Life Insurance.	Hsiang Fa Co.	-	$ 290,000	-	$ 292,757	-
		Citigroup Inc.	Hsu Zhan (HK) Investment Limited	-	USD 158,400	-	USD 155,229	-
		Commonwealth Bank of Australia	Hsu Zhan (HK) Investment Limited	-	USD 17,584	-	USD 17,661	-
		Crédit Agricole	Hsu Fa (Samoa) Investment Ltd.	-	CNY 298,000	-	CNY 302,575	-
		Credit Agricole S.A.	Hsu Fa (Samoa) Investment Ltd.	-	CNY 100,000	-	CNY 100,467	-
		Foxconn Technology Group	Hsu Zhan (HK) Investment Limited	-	USD 22,190	-	USD 21,948	-
		Fubon Life Insurance Co., Ltd.	MediaTek Inc.	-	$ 290,000	-	$ 292,853	-
		HSBC Holdings plc	Hsu Zhan (HK) Investment Limited	-	USD 39,336	-	USD 39,633	-
		ING Group, N.V.	Hsu Zhan (HK) Investment Limited	-	USD 19,476	-	USD 19,629	-
		International Business Machines Corporation	Hsu Zhan (HK) Investment Limited	-	USD 61,056	-	USD 60,907	-
		JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD 200,055	-	USD 202,152	-
		KGI Securities Co., Ltd.	MediaTek Inc.	-	$ 580,000	-	$ 577,469	-
		KGI Securities Co., Ltd.	MediaTek Capital Co.	-	$ 290,000	-	$ 288,735	-
		Mitsubishi UFJ Financial Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 111,974	-	USD 112,164	-
		Mizuho Financial Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 119,995	-	USD 119,952	-
		Morgan Stanley	Hsu Zhan (HK) Investment Limited	-	USD 179,046	-	USD 179,078	-
		National Australia Bank	Hsu Zhan (HK) Investment Limited	-	USD 8,898	-	USD 8,892	-
		National Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY 1,141,000	-	CNY 1,145,871	-
		National Bank of Canada	Hsu Zhan (HK) Investment Limited	-	USD 18,000	-	USD 17,995	-
		NVIDIA CORP	Hsu Zhan (HK) Investment Limited	-	USD 32,712	-	USD 32,904	-
		Royal Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY 195,000	-	CNY 196,537	-
		Royal Bank of Canada	Hsu Zhan (HK) Investment Limited	-	USD 127,054	-	USD 126,434	-
		Sumitomo Mitsui Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD 81,537	-	USD 81,503	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	MediaTek Inc.	-	$ 500,544	-	$ 488,371	2
		Taiwan Semiconductor Manufacturing Co., Ltd.	Hsu Zhan (HK) Investment Limited	-	USD 76,060	-	USD 75,271	-
		The Bank of Nova Scotia	Hsu Fa (Samoa) Investment Ltd.	-	CNY 390,000	-	CNY 389,117	-
		The Bank of Nova Scotia	Hsu Zhan (HK) Investment Limited	-	USD 130,712	-	USD 129,665	-
		The Goldman Sachs Group, Inc.	Hsu Fa (Samoa) Investment Ltd.	-	CNY 395,000	-	CNY 396,517	-
		The Goldman Sachs Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 17,043	-	USD 17,347	-
		The Toronto-Dominion Bank	Hsu Zhan (HK) Investment Limited	-	USD 9,006	-	USD 9,045	-
		UBS Group AG	Hsu Zhan (HK) Investment Limited	-	USD 19,651	-	USD 19,544	-
		Vanguard International Semiconductor Corporation	MediaTek Inc.	-	$ 100,000	-	$ 99,999	-
		Wells Fargo & Company	Hsu Zhan (HK) Investment Limited	-	USD 46,512	-	USD 47,108	-
		Westpac Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD 32,545	-	USD 32,624	-

Note 1: Ultimate parent entity.

Note 2: 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 3: Financial assets measured at fair value through other comprehensive income and Financial assets measured at fair value through profit or loss shall measure at fair value, therefore the carrying amount equals to the fair value.

MEDIATEK INC. AND SUBSIDIARIES

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, 2024

Attachment 4

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

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 4)	
Gaintech Co. Limited	Arm Holdings plc	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	490,196	USD 36,833		-	USD -		290,100	USD 37,982		USD 14,795		USD 23,187		200,096	USD 24,684	
MediaTek India Technology Pvt. Ltd.	One97 Communication Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	2,095,113	INR 1,330,082		-	INR -		2,095,113	INR 803,826		INR 1,106,352		INR (302,526)		-	INR -	
Hsu Fa(samoa)Investment Ltd	The Goldman Sachs Group, Inc.	Financial assets measured at amortized cost- current	-	-	-	CNY 177,000		-	CNY -		-	CNY 177,000		CNY 177,000		CNY -		-	CNY -	
Hsu Zhan (HK) Investment Limited	China International Capital Corporation	Financial assets measured at amortized cost- current	-	-	-	USD 10,000		-	USD -		-	USD 10,000		USD 10,000		USD -		-	USD -	
Hsu Zhan (HK) Investment Limited	HSBC Holdings plc	Financial assets measured at amortized cost- current	-	-	-	USD 10,000		-	USD -		-	USD 10,000		USD 10,000		USD -		-	USD -	
Gaintech Co. Limited	MediaTek Global Holdings Limited	Investments accounted for using the equity method	Note 1	Subsidiary	4,085,118,214	USD 4,466,935		-	USD -		191,000,000	USD 191,000		USD 191,000		USD -		3,894,118,214	USD 4,308,126	
MediaTek Inc.	Hsu-Ta Investment Corp.	Investments accounted for using the equity method	Note 2 and Note 6	Subsidiary	592,580,103	TWD 7,899,208		149,649,363	TWD 1,496,494		-	TWD -		TWD -		TWD -		-	TWD -	
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Investments accounted for using the equity method	Note 1	Subsidiary	2,233,845,498	TWD 224,563,433		-	TWD -		662,000,000	TWD 21,499,780		TWD 21,499,780		TWD -		1,571,845,498	TWD 219,557,269	
MediaTek Inc.	Hsu-Yuan Investment Corp.	Investments accounted for using the equity method	Note 3	Subsidiary	50,000,000	TWD 442,271		200,000,000	TWD 2,000,000		-	TWD -		TWD -		TWD -		250,000,000	TWD 2,451,311	
MTKC Global Holdings Co.	Adoresys Pte. Ltd.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	-	USD -		15,833,333	USD 9,500		-	USD -		USD -		USD -		15,833,333	USD 9,500	
Hsu Zhan (HK) Investment Limited	CGMI-USD Fixed Rate Callable Note 202205	Financial assets measured at amortized cost- current	-	-	-	USD 10,000		-	USD -		-	USD 10,000		USD 10,000		USD -		-	USD -	
Hsu Zhan (HK) Investment Limited	CGMI-USD Fixed Rate 2y Callable Note 202206	Financial assets measured at amortized cost- current	-	-	-	USD 10,000		-	USD -		-	USD 10,000		USD 10,000		USD -		-	USD -	
Hsu Fa(samoa)Investment Ltd	Barclays PLC-CNY 3Y NONCALL2 DUE 6 April 2025	Financial assets measured at amortized cost- noncurrent	-	-	-	CNY 100,000		-	CNY -		-	CNY 100,000		CNY 100,000		CNY -		-	CNY -	
Airoha Technology Corp.	IC PLUS Corp.	Investments accounted for using the equity method	Note 5	Associate	650,000	TWD 57,070		27,563,800	TWD 1,932,774		-	TWD -		TWD -		TWD -		28,213,800	TWD 1,956,559	
Hsu Zhan (HK) Investment Limited	SUMITR 09/16/24	Financial assets measured at amortized cost- current	-	-	-	USD 10,000		-	USD -		-	USD 10,000		USD 10,000		USD -		-	USD -	
Hsu Zhan (HK) Investment Limited	UBS 8/5/25	Financial assets measured at amortized cost- noncurrent	-	-	-	USD 9,800		-	USD -		-	USD 9,800		USD 9,800		USD -		-	USD -	
Hsu Zhan (HK) Investment Limited	MUFG 7/19/2025	Financial assets measured at amortized cost- noncurrent	-	-	-	USD 10,000		-	USD -		-	USD 10,000		USD 10,000		USD -		-	USD -	
MediaTek Inc.	MediaTek Capital Co.	Investments accounted for using the equity method	Note 6	Subsidiary	111,800,000	TWD 708,831		1,760,814,808	TWD 18,246,634		-	TWD -		TWD -		TWD -		1,872,614,808	TWD 9,415,520	
Hsu-Ta Investment Corp.	Hsiang Fa Co.	Investments accounted for using the equity method	Note 6	Subsidiary	236,801,136	TWD 14,943,731		-	TWD -		236,801,136	TWD 16,222,537		TWD 16,222,537		TWD -		-	TWD -	
Hsu-Ta Investment Corp.	Airoha Technology Corp.	Investments accounted for using the equity method	Note 6	Subsidiary	6,000,000	TWD 611,969		-	TWD -		6,000,000	TWD 723,403		TWD 723,403		TWD -		-	TWD -	
Hsu-Ta Investment Corp.	Zilltek Technology Corp.	Investments accounted for using the equity method	Note 6	Subsidiary	7,000,000	TWD 1,259,368		-	TWD -		7,000,000	TWD 1,257,889		TWD 1,257,889		TWD -		-	TWD -	
MediaTek Capital Co.	Zilltek Technology Corp.	Investments accounted for using the equity method	Note 6	Associate	3,000,000	TWD 539,738		7,000,000	TWD 1,257,889		-	TWD -		TWD -		TWD -		10,000,000	TWD 1,819,206	
MediaTek Capital Co.	Hsiang Fa Co.	Investments accounted for using the equity method	Note 6	Subsidiary	-	TWD -		236,801,136	TWD 16,222,537		-	TWD -		TWD -		TWD -		236,801,136	TWD 17,311,169	
MediaTek Capital Co.	Airoha Technology Corp.	Investments accounted for using the equity method	Note 6	Subsidiary	-	TWD -		6,000,000	TWD 723,403		-	TWD -		TWD -		TWD -		6,000,000	TWD 737,304	

(To be continued)

(Continued)

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 4)	
MediaTek Investment HK Limited	Hsu Fa (Samoa) Investment Ltd.	Investments accounted for using the equity method	Note 7	Subsidiary	1,000,000,000	USD	180,482	2,596,558,036	USD	364,206	-	USD -	USD -	USD -		3,596,558,036	USD	541,405
MediaTek Capital Co.	ALCHIP TECHNOLOGIES, INC.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	-	TWD	-	450,000	TWD	732,150	-	TWD -	TWD -	TWD -		450,000	TWD	1,185,498
Digimoc Holdings Limited	Aeonsemi, Inc.	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	-	USD	-	1,417,657	USD	20,210	-	USD -	USD -	USD -		1,417,657	USD	20,210
Digimoc Holdings Limited	Achi Capital Partners Fund	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	-	USD	14,857	-	USD	18,148	-	USD -	USD -	USD -		-	USD	30,176
MediaTek Inc.	Fund issued by KGI Securities Co., Ltd.	Financial assets mandatorily measured at fair value through profit or loss- current	-	-	115,195,956	TWD	1,910,145	-	TWD	-	52,624,990	TWD 898,480	TWD 670,124	TWD 228,356		62,570,966	TWD	1,052,502
MediaTek Inc.	WPG Holdings Limited Preferred Share A	Equity instrument investments measured at fair value through other comprehensive income- noncurrent	-	-	10,900,000	TWD	512,300	-	TWD	-	10,900,000	TWD 545,000	TWD 523,388	TWD 21,612		-	TWD	-

Note 1: Proceeds from capital return
Note 2: Subscribed to the new shares issued through earnings
Note 3: Subscribed to the new shares issued.
Note 4: Amounts shown for investments accounted for using the equity method included investment income (loss) recognized by the equity method, adjustment for foreign exchange, and unrealized gains (losses) from investments measured at fair value through other comprehensive income.
Note 5: A resolution was passed at a Board of Directors' meeting of the subsidiary Airoha Technology Corp. on March 6, 2024 and June 17, 2024 to participate in IC+ private equity capital increase. This equity transaction was completed on July 1, 2024 and the change registration was completed.
Note 6: For the purpose of reorganization, Hsu-Ta Investment Corp. was dissolved due to merger into MediaTek Capital Co. on October 31, 2024. Subsidiaries and associates previously owned by Hsu-Ta Investment Corp. were transferred to MediaTek Capital Co..
The change of the ownership through issuance of new share which made the carrying amount correspond to the selling price, no price difference was generated.
Note 7: For the purpose of reorganization, Hsu Chia (Samoa) Investment Ltd. and Hsu Kang (Samoa) Investment Ltd. were dissolved due to merger into Hsu Fa (Samoa) Investment Ltd. on November 30, 2024.
The change of the ownership through issuance of new share which made the carrying amount correspond to the selling price, no price difference was generated.

MEDIATEK INC. AND SUBSIDIARIES
ACQUISITION OF INDIVIDUAL REAL ESTATE WITH AMOUNT EXCEEDING THE LOWER OF NT$300 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2024

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	$ 320,307	Bio-architecture Formosana, WSP International LLC., Taiwan Branch(USA), Kedge Construction Co., Ltd.	None	-	-	-	$-	Not applicable	Space requirements for staff expansion	None
MediaTek Inc.	Building and construction in progress	2024.02.07	$ 792,065	$ 29,703	Marketech International Corp., AM-POWER MACHINE INTERNATIONAL ENTERPRISE CO., LTD.	None	-	-	-	$-	Not applicable	Space requirements for staff expansion	None
MediaTek Inc.	Building and construction in progress	2024.07.24	$ 1,625,661	$ 203,360	Bio-architecture Formosana, LEEMING Construction Co., Ltd.	None	-	-	-	$-	Not applicable	Space requirements for staff expansion	None
MediaTek Inc.	Building and construction in progress	2024.12.06	$ 825,069	$ -	Delta Electronics, Inc., TRANE TAIWAN DISTRIBUTION LIMITED, Siemens Energy Limited, SHIHLIN ELECTRIC & ENGINEERING CORPORATION Hsin-Chu Branch	None	-	-	-	$-	Not applicable	Space requirements for staff expansion	None
Airoha Technology Corp.	Land, building and construction in progress	2024.07.26	$ 2,088,000	$ 208,800	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	$ 938,251	JJP Architecture & Planners, LEEMING Construction Co., Ltd.	None	-	-	-	$-	Not applicable	Space requirements for staff expansion	None
Hsu-Yuan Investment Corp.	Building and construction in progress	2024.05.27	$ 2,755,082	$ -	CTCI Smart Engineering Corporation, MEGA FACADE CORPORATION	None	-	-	-	$-	Not applicable	Space requirements for staff expansion	None

MEDIATEK INC. AND SUBSIDIARIES
RELATED PARTY TRANSACTIONS FOR PURCHASES AND SALES AMOUNTS EXCEEDING THE LOWER OF NT$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2024

Attachment 6

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

Company Name	Counter-party	Relationship	Transaction Details				Details of Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	Percentage of Total Purchases/ Sales	Payment Term			Ending Balance	Percentage of Total Notes/Trade Receivables (Payables)	
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	Sales (Note 1)	$ 9,009,816	3.21%	Charged by a certain period	-	-	$ 297,833	1.41%	-
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	Sales (Note 2)(Note 3)	$ 326,557	0.12%	Charged by a certain period	-	-	$ 137,416	0.65%	-
MediaTek Inc.	Intelligo Technology Inc.	Associate	Sales	$ 109,534	0.04%	30 days	-	-	$ 2,147	0.01%	-
MediaTek Inc.	King Yuan Electronics Co.	Substantive related party	IC testing, experimental services, and manufacturing technology services	$ 3,344,481	-	75 days	-	-	$ (1,048,343)	(4.10)%	-
MediaTek Inc.	King Long Tech(Suzhou) Ltd.	Substantive related party	IC testing, experimental services, and manufacturing technology services	$ 339,079	-	75 days	-	-	$ (60,802)	(0.24)%	-
MediaTek Inc.	HFI Innovation Inc.	Subsidiary	Sales (Note 2)	$ 163,508	0.06%	30 days	-	-	$ -	-	-
Airoha Technology Corp.	King Yuan Electronics Co.	Substantive related party	IC testing, experimental services, and manufacturing technology services	$ 775,735	-	75 days	-	-	$ (204,084)	(15.19)%	-
Airoha Technology Corp.	ASIX Electronics Corporation	Associate	Sales	$ 223,742	1.39%	30 days	-	-	$ 13,685	0.63%	-
MediaTek Singapore Pte. Ltd.	King Yuan Electronics Co.	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 99,022	-	75 days	-	-	USD (20,093)	(4.68)%	-
Richtek Technology Corp.	Richtek USA Inc.	Subsidiary	Sales	$ 248,910	1.20%	30 days	-	-	$ 66,441	1.91%	-

Note 1: mainly license revenues

Note 2: mainly IP revenues

Note 3: mainly technical services revenues

MEDIATEK INC. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF NT$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK

As of December 31, 2024

Attachment 7

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Counter-party	Relationship	Ending Balance of Notes/Trade Receivables from Related Party		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Doubtful Debts
						Amount	Action Taken		
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	$ 137,416	(Note1)	-	$ -	-	$ 335	$ -
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	$ 297,833	(Note1)	-	$ -	-	$ 297,833	$ -
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Subsidiary	$ 22,151,168	(Note3 and Note4)	-	$ -	-	$ -	$ -
MediaTek Inc.	Nephos (Hefei) Co., Ltd.	Subsidiary	$ 509,851	(Note1)	-	$ -	-	$ -	$ -
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	$ 635,505	(Note1)	-	$ -	-	$ 272,366	$ -
MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	Subsidiary	$ 8,303,953	(Note2)	-	$ -	-	$ -	$ -
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	Subsidiary	$ 21,692,416	(Note3)	-	$ -	-	$ -	$ -
Digimoc Holdings Limited	Gaintech Co. Limited	Subsidiary	$ 5,354,291	(Note2)	-	$ -	-	$ 376,832	$ -
MediaTek Bangalore Private Limited	MediaTek Inc.	Subsidiary	$ 256,203	(Note1)	-	$ -	-	$ 256,203	$ -
Gaintech Co. Limited	MediaTek Inc.	Subsidiary	$ 68,485,120	(Note2)	-	$ -	-	$ -	$ -
Cloud Ranger Limited	Gaintech Co. Limited	Subsidiary	$ 819,200	(Note2)	-	$ -	-	$ -	$ -
MediaTek India Technology Pvt. Ltd.	MediaTek Inc.	Subsidiary	$ 102,699	(Note1)	-	$ -	-	$ 102,699	$ -
MediaTek Korea Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	$ 105,992	(Note1)	-	$ -	-	$ 105,992	$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	Subsidiary	$ 1,076,784	(Note2)	-	$ -	-	$ 2,393	$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Subsidiary	$ 313,364	(Note2)	-	$ -	-	$ -	$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	$ 895,326	(Note2)	-	$ -	-	$ -	$ -
MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Subsidiary	$ 3,552,051	(Note2)	-	$ -	-	$ 32,768	$ -
Hsu Zhan (HK) Investment Limited	Gaintech Co. Limited	Subsidiary	$ 14,070,367	(Note2)	-	$ -	-	$ -	$ -
Lepower (HK) Limited	Gaintech Co. Limited	Subsidiary	$ 885,938	(Note2)	-	$ -	-	$ -	$ -
Gold Rich International (HK) Limited	Gaintech Co. Limited	Subsidiary	$ 668,632	(Note2)	-	$ -	-	$ -	$ -
MediaTek USA Inc.	MediaTek Inc.	Subsidiary	$ 1,436,511	(Note1)	-	$ -	-	$ 1,436,511	$ -
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	$ 258,977	(Note1)	-	$ -	-	$ 258,977	$ -
MediaTek North America Inc.	MediaTek Inc.	Subsidiary	$ 138,137	(Note1)	-	$ -	-	$ 138,137	$ -
Hsiang Fa Co.	MediaTek Capital Co.	Subsidiary	$ 852,459	(Note2)	-	$ -	-	$ -	$ -

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.

Note 4: Capital return (recorded in other receivables) mainly

MEDIATEK INC. AND SUBSIDIARIES

THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT AND SUBSIDIARIES

For the year ended December 31, 2024

Attachment 8

(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transaction			
				Accounts	Amount	Transaction Terms	Percentage of Consolidated Net Sales or Total Assets (Note 3)
0	MediaTek Inc.	Richtek Technology Corp.	A	Trade payables to related party	$ 31,009	By contract	0.00%
			A	Operating costs	$ 44,783		0.01%
		Airoha Technology Corp.	A	Trade receivables from related party	$ 137,416		0.02%
			A	Trade payables to related party	$ 635,505		0.09%
			A	Operating revenue	$ 565,979		0.11%
		MediaTek Singapore Pte. Ltd.	A	Trade receivables from related party	$ 297,833		0.04%
			A	Operating revenue	$ 9,009,816		1.70%
		MediaTek Investment Singapore Pte. Ltd.	A	Other receivables from related party	$ 22,151,168		3.17%
		HFI Innovation Inc.	A	Operating revenue	$ 163,508		0.03%
		MediaTek Bangalore Private Limited	A	Other payables to related party	$ 256,203		0.04%
			A	Research and development expenses	$ 2,887,544		0.54%
		Gaintech Co. Limited	A	Long-term payables to related party	$ 68,485,120		9.81%
		MediaTek India Technology Pvt. Ltd.	A	Other payables to related party	$ 102,699		0.01%
			A	Research and development expenses	$ 1,102,575		0.21%
		Zelus (Shenzhen) Technology Ltd.	A	Trade payables to related party	$ 30,157		0.00%
			A	Operating revenue	$ 83,835		0.02%
			A	Research and development expenses	$ 30,814		0.01%
		MediaTek Research UK Limited	A	Research and development expenses	$ 83,533		0.02%
		Nephos (Hefei) Co. Ltd.	A	Trade receivables from related party	$ 185,544		0.03%
			A	Other receivables from related party	$ 324,307		0.05%
		MTK Wireless Limited	A	Other payables to related party	$ 89,507		0.01%
			A	Research and development expenses	$ 978,884		0.18%
		MediaTek USA Inc.	A	Other payables to related party	$ 1,436,511		0.21%
			A	Research and development expenses	$ 13,217,836		2.49%
		MediaTek North America Inc.	A	Other payables to related party	$ 138,137		0.02%
			A	Selling expenses	$ 945,724		0.18%
		MediaTek Poland sp. z o.o.	A	Research and development expenses	$ 35,326		0.01%
		MediaTek Technology USA Inc.	A	Research and development expenses	$ 36,408		0.01%
		MediaTek Research Corp.	A	Research and development expenses	$ 36,568		0.01%
		SIGMASTAR TECHNOLOGY CORP.	A	Other payables to related party	$ 67,358		0.01%
			A	Research and development expenses	$ 183,365		0.03%

(To be continued)

(Continued)

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transaction			
				Accounts	Amount	Transaction Terms	Percentage of Consolidated Net Sales or Total Assets (Note 3)
1	MediaTek Singapore Pte. Ltd.	MediaTek Japan Inc.	C	Research and development expenses	$ 244,591	By contract	0.05%
		MediaTek Korea Inc.	C	Trade payables to related party	$ 105,992		0.02%
			C	Research and development expenses	$ 1,051,227		0.20%
		Gaintech Co. Limited	C	Other receivables from related party	$ 8,303,953		1.19%
			C	Non-operating revenue	$ 110,570		0.02%
		Zelus (Shenzhen) Technology Ltd.	C	Operating revenue	$ 30,846		0.01%
		MediaTek Wireless FZ-LLC	C	Selling expenses	$ 52,847		0.01%
		MediaTek Sweden AB	C	Trade payables to related party	$ 39,199		0.01%
			C	Research and development expenses	$ 159,704		0.03%
		MediaTek Wireless Finland Oy	C	Trade payables to related party	$ 258,977		0.04%
			C	Research and development expenses	$ 1,218,557		0.23%
		MediaTek (Heifei) Inc.	C	Research and development expenses	$ 2,889,849		0.54%
			C	Prepayments to related party	$ 222,582		0.03%
		MediaTek (Beijing) Inc.	C	Research and development expenses	$ 3,385,076		0.64%
			C	Prepayments to related party	$ 66,444		0.01%
		MediaTek (Shenzhen) Inc.	C	Research and development expenses	$ 4,404,644		0.83%
			C	Prepayments to related party	$ 65,486		0.01%
		MediaTek (Chengdu) Inc.	C	Research and development expenses	$ 1,718,435		0.32%
		MediaTek (Wuhan) Inc.	C	Research and development expenses	$ 737,565		0.14%
			C	Prepayments to related party	$ 45,253		0.01%
		MediaTek (Shanghai) Inc.	C	Research and development expenses	$ 2,008,264		0.38%
			C	Prepayments to related party	$ 38,354		0.01%
		MediaTek Germany GmbH	C	Research and development expenses	$ 124,373		0.02%
2	MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	C	Other receivables from related party	$ 21,692,416		3.11%
3	MediaTek Japan Inc.	Hsu Zhan (HK) Investment Limited	C	Long-term payables to related party	$ 41,988		0.01%
4	MediaTek USA Inc.	MediaTek North America Inc.	C	Non-operating revenue	$ 31,113		0.01%
5	MediaTek Capital Co.	Hsiang Fa Co.	C	Other payables to related party	$ 852,459		0.12%

(To be continued)

(Continued)

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transaction			
				Accounts	Amount	Transaction Terms	Percentage of Consolidated Net Sales or Total Assets (Note 3)
6	Gaintech Co. Limited	Digimoc Holdings Limited	C	Long-term payables to related party	$ 5,354,291	By contract	0.77%
		Cloud Ranger Limited	C	Long-term payables to related party	$ 819,200		0.12%
		MTKC Global Holdings Co. Limited	C	Long-term payables to related party	$ 3,552,051		0.51%
		Hsu Zhan (HK) Investment Limited	C	Other payables to related party	$ 14,070,367		2.02%
			C	Non-operating expenses	$ 497,596		0.07%
		Lepower (HK) Limited	C	Other payables to related party	$ 885,938		0.13%
			C	Non-operating expenses	$ 54,484		0.01%
		Gold Rich International (HK) Limited	C	Other payables to related party	$ 668,632		0.10%
			C	Non-operating expenses	$ 41,120		0.01%
7	MediaTek (Chengdu) Inc.	Hsu Fa (Samoa) Investment Ltd.	C	Long-term payables to related party	$ 313,364		0.04%
8	MediaTek (Wuhan) Inc.	Hsu Fa (Samoa) Investment Ltd.	C	Long-term payables to related party	$ 895,326		0.13%
9	MediaTek (Shanghai) Inc.	Hsu Fa (Samoa) Investment Ltd.	C	Long-term payables to related party	$ 1,076,784		0.15%
10	Richtek Technology Corp.	Li-We Technology Corporation	C	Other payables to related party	$ 31,062		0.00%
			C	Selling expenses	$ 232,137		0.04%
		Richtek USA Inc.	C	Trade receivables from related party	$ 66,441		0.01%
			C	Other payables to related party	$ 59,477		0.01%
			C	Operating revenue	$ 248,910		0.05%
			C	Research and development expenses	$ 481,835		0.09%
			C	Selling expenses	$ 158,462		0.03%
		Richpower Microelectronics Co., Ltd.	C	Selling expenses	$ 95,471		0.02%
		Richtek Korea LLC.	C	Research and development expenses	$ 98,678		0.02%
			C	Selling expenses	$ 109,044		0.02%
		Richtek Japan Inc.	C	Research and development expenses	$ 88,610		0.02%
			C	Selling expenses	$ 69,904		0.01%
11	Airoha Technology Corp.	Airoha Technology (Suzhou) Limited	C	Trade payables to related party	$ 87,040		0.01%
			C	Operating revenue	$ 54,404		0.01%
		Airoha Technology USA Inc.	C	Research and development expenses	$ 102,891		0.02%
		AiroTek (Shenzhen) Inc.	C	Research and development expenses	$ 253,794		0.05%
		AiroTek (Chengdu) Inc.	C	Other payables to related party	$ 32,008		0.00%
		AiroTek (Chengdu) Inc.	C	Research and development expenses	$ 293,176		0.06%

(To be continued)

(Continued)

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transaction			
				Accounts	Amount	Transaction Terms	Percentage of Consolidated Net Sales or Total Assets (Note 3)
12	Airoha Technology (Suzhou) Limited	Airoha Technology India Private Limited	C	Research and development expenses	$ 80,501	By contract	0.02%
13	Airoha Technology India Private Limited	Airoha Technology (Suzhou) Limited	C	Operating revenue	$ 79,431		0.01%
14	Hsu Chia (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	C	Non-operating revenue	$ 40,907		0.01%

Note 1: MediaTek Inc. and its subsidiaries are coded as follows:

A. MediaTek Inc. is coded 0.

B. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: There are three types of relationship categorized as follows:

A. The holding companies to subsidiaries.

B. Subsidiaries to the holding companies.

C. Subsidiaries to subsidiaries.

Note 3: Percentage of consolidated operating revenues or total assets is calculated as follows: for the balance sheet accounts, the ending balance of assets or liabilities divided by consolidated total assets, or for the income statement accounts, the interim accumulated amounts divided by consolidated sales.

Note 4: The disclosure standard of above transactions between the holding company and subsidiaries are amounts exceeding NT$ 30,000 thousand, including purchases, sales, trade payables to related party and trade receivables from related party.

MEDIATEK INC. AND SUBSIDIARIES

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

For the year ended December 31, 2024

Attachment 9

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

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2024			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.	Taiwan	General investing	$ 19,364,634	$ 1,118,000	1,872,614,808	100%	$ 9,415,520	$ 23,279	$ 19,614	1
	HFI Innovation Inc.	Taiwan	Intellectual property right management	$ 2,118,755	$ 1,955,248	211,875,530	100%	$ 2,262,407	$ 489,699	$ 493,470	1
	Airoha Technology Corp.	Taiwan	Research, manufacturing and sales	$ 9,378,890	$ 9,378,890	111,235,745	66%	$ 13,518,376	$ 2,691,949	$ 1,858,249	1
	Intellectual Property Innovation Corp.	Taiwan	Intellectual property right management	$ -	$ 30,000	-	-	$ -	$ -	$ 1,285	2
	Hsu-Ta Investment Corp.	Taiwan	General investing	$ -	$ 3,960,811	-	-	$ -	$ 709,519	$ 334,351	-
	Hsu-Yuan Investment Corp.	Taiwan	General investing	$ 2,500,000	$ 500,000	250,000,000	100%	$ 2,451,311	$ 9,040	$ 9,040	1
	Richtek Technology Corp.	Taiwan	Research, manufacturing and sales	$ 21,221,922	$ 21,221,922	148,482,806	100%	$ 16,639,678	$ 2,231,422	$ 2,012,257	1
	IC PLUS Corp.	Taiwan	Research, manufacturing and sales	$ 300,370	$ 300,370	13,125,454	14%	$ 1,136,933	$ (113,797)	$ (29,974)	1 and 3
	Spidcom Technologies	France	Intellectual property right management	$ 4,722	$ 4,722	146,200	100%	$ -	$ -	$ -	1
	MStar Co., Ltd.	Seychelles	General investing	$ 526,142	$ 526,142	13,350,000	100%	$ 156,793	$ 18,330	$ 18,330	1
	MediaTek Singapore Pte. Ltd.	Singapore	Research, manufacturing and sales	$ 4,137,594	$ 4,137,594	187,513,879	100%	$ 83,579,643	$ 59,986,761	$ 60,003,922	1
	MediaTek Research UK Limited	United Kingdom	Research	$ 24,363	$ 24,363	280,000	100%	$ 52,227	$ 10,800	$ 10,800	1
	MediaTek Korea Inc.	South Korea	Research	$ 192,883	$ -	200,000	100%	$ 201,178	$ 54,873	$ 20,904	1 and 4
	MediaTek Japan Inc.	Japan	Technical services	$ 38,558	$ -	7,100	100%	$ 44,655	$ 2,625	$ 3,780	1 and 5
	MediaTek Investment Singapore Pte. Ltd.	Singapore	General investing	$ 28,303,703	$ 49,803,483	1,571,845,498	100%	$ 219,557,269	$ 8,591,558	$ 8,593,310	1
	MediaTek Bangalore Private Limited	India	Research	$ 581,508	$ 581,508	1,999,999	100%	$ 1,275,673	$ 389,027	$ 399,672	1
Airoha (Cayman) Inc.	Airoha Technology India Private Limited	India	Research	USD 0	USD 0	95	0%	USD 0	USD 208	-	1
Core Tech Resources Inc.	MediaTek India Technology Pvt. Ltd.	India	Research	USD -	USD 0	-	-	USD -	INR 306,368	-	1 and 6
Digimoc Holdings Limited	MediaTek India Technology Pvt. Ltd.	India	Research	USD 0	USD 0	1	0%	USD 0	INR 306,368	-	1 and 6
	Intelligo Technology Inc.	Cayman Islands	Research, manufacturing and sales	USD 3,168	USD 3,168	5,606,162	14%	USD 6,458	USD 7,614	-	-
	Gold Rich International (Samoa) Limited	Samoa	General investing	USD 448,441	USD 448,441	4,290,000	100%	USD 184,239	USD 1,200	-	1
	Cloud Ranger Limited	Samoa	General investing	USD 57,662	USD 57,662	23,139,000	100%	USD 43,116	USD 48	-	1
Gaintech Co. Limited	MediaTek China Limited	Hong Kong	General investing	USD 391,444	USD 391,444	3,044,078,500	100%	USD 682,265	USD 58,100	-	1
	Smarthead Limited	Seychelles	General investing	USD 700	USD 700	700,000	100%	USD 2,006	USD (10)	-	1
	Sigmastar Technology Inc.	Cayman Islands	General investing	USD 523	USD 523	1,511,579	100%	USD 280,642	USD 9,376	-	1
	Nephos Cayman Co. Limited	Cayman Islands	General investing	USD 113,110	USD 113,110	113,110,426	100%	USD (1,019)	USD (1,557)	-	1
	MTK Wireless Limited	United Kingdom	Research	USD 135,665	USD 135,665	84,394,826	100%	USD 265,937	USD 53,498	-	1
	MediaTek Wireless FZ-LLC	United Arab Emirates	Technical services	USD 14	USD 14	50	100%	USD 519	USD 78	-	1
	MediaTek Global Holdings Limited	United Kingdom	General investing	USD 3,894,118	USD 4,085,118	3,894,118,214	100%	USD 4,308,126	USD 107,128	-	1
	MediaTek Korea Inc.	South Korea	Research	USD -	USD 2,075	-	-	USD -	$ 54,873	-	1 and 4
	MediaTek Japan Inc.	Japan	Technical services	USD -	USD 62	-	-	USD -	$ 2,625	-	1 and 5
	Core Tech Resources Inc.	British Virgin Islands	General investing	USD -	USD 2,297	-	-	USD -	USD (234)	-	6
	CSVI VENTURES, L.P.	Cayman Islands	General investing	USD 19,814	USD 19,814	-	43%	USD 13,032	USD (3,656)	-	-
	CMC Capital Investments, L.P.	Cayman Islands	General investing	USD 4,613	USD 4,613	-	67%	USD 2,402	USD (1,211)	-	-
	Amobile Intelligent Corp. Limited	Hong Kong	Research, manufacturing and sales	USD 4,885	USD 4,185	3,668,629	31%	USD 4,441	USD 1,579	-	-
Gold Rich International (Samoa) Limited	Gold Rich International (HK) Limited	Hong Kong	General investing	USD 4,190	USD 4,190	4,190,000	100%	USD 184,160	USD 1,201	-	1
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	India	Research	INR 3,896,338	INR 3,896,338	5,499,999	100%	INR 2,732,521	INR 306,368	-	1
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	Hong Kong	General investing	USD 2,406,283	USD 2,406,283	2,383,399,545	100%	USD 2,398,787	USD 127,169	-	1
	MTKC Global Holdings Co. Limited	British Virgin Islands	General investing	USD 355,354	USD 355,354	12	100%	USD 351,762	USD 7,736	-	1
	Digimoc Holdings Limited	British Virgin Islands	General investing	USD 1,322,981	USD 1,322,981	1,550,638,880	100%	USD 1,550,622	USD 35,763	-	1
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	Cayman Islands	General investing	USD 2,660,900	USD 2,660,900	1,123,172,524	100%	USD 6,683,533	USD 267,541	-	1
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	Hong Kong	General investing	USD 507,100	USD 507,100	554,587,474	100%	USD 541,486	USD 17,767	-	1
	MaiSys Design Technology SG Pte. Ltd.	Singapore	Research	USD 750	USD -	750,001	100%	USD 621	USD (129)	-	1 and 7

(To be continued)

(Continued)

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

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Germany	Technical services	EUR 500	EUR 500	500,000	100%	EUR 952	EUR 202	-	1
MTK Wireless Limited	MStar France SAS	France	Research	GBP 22,406	GBP 22,406	458,900	100%	GBP 4,072	GBP (16)	-	1
	MediaTek Wireless Finland Oy	Finland	Research	GBP 4,733	GBP 4,733	1,000	100%	GBP 11,567	GBP 1,819	-	1
	MediaTek USA Inc.	United States	Research	GBP 38,800	GBP 38,800	111,815	100%	GBP 163,740	GBP 35,191	-	1
	MediaTek Technology USA Inc.	United States	Research	GBP 239	GBP 239	1,000	100%	GBP 272	GBP 32	-	1
	MediaTek Sweden AB	Sweden	Research	GBP 19,362	GBP 19,362	1,008,371	100%	GBP 12,092	GBP 291	-	1
	MediaTek Poland sp. z o.o.	Poland	Technical services	GBP 604	GBP 604	100	100%	GBP 678	GBP 33	-	1
	MediaTek North America Inc.	United States	Sales support	GBP 4,079	GBP 4,079	10,000	100%	GBP 6,265	GBP 1,644	-	1
MTKC Global Holdings Co. Limited	LePower (HK) Limited	Hong Kong	General investing	USD 81,998	USD 81,998	85,050,000	100%	USD 97,961	USD 3,845	-	1
	Amiti IV Quantum L.P.	United States	General investing	USD 2,000	USD 2,000	-	92%	USD 1,981	USD (7)	-	-
Richtek Europe Holding B.V.	Richtek Europe B.V.	Netherlands	Marketing	EUR -	EUR 1,500	-	-	EUR -	EUR (193)	-	1 and 10
Smarthead Limited	MoMAGIC Technologies Private Limited	India	Software development	USD 500	USD 500	2,385,927	22%	USD 1,827	USD (1,131)	-	-
Richtek Technology Corp.	Richnex Microelectronics Corp.	Taiwan	Research, manufacturing and sales	$ 278,032	$ 278,032	26,963,153	82%	$ 51,982	$ 3,453	-	1
	Richtek USA, Inc.	United States	Sales, research and technical services	$ 133,470	$ 133,470	1,000,000	100%	$ 303,129	$ 59,092	-	1
	Richtek Korea LLC.	South Korea	Research and technical services	$ 26,696	$ 26,696	10,000	100%	$ 27,806	$ 5,259	-	1
	Richtek Japan Inc.	Japan	Research and technical services	$ 41,893	$ 41,893	1,900	100%	$ 42,305	$ (1,445)	-	1
	Richtek Holding International Limited	British Virgin Islands	General investing	$ 292,264	$ 292,264	30,000	100%	$ 59,944	$ (4,768)	-	1
	Richtek Europe Holding B.V.	Netherlands	General investing	$ 84,724	$ 84,724	2,000,000	100%	$ 41,610	$ (6,824)	-	1
	Richtek Europe B.V.	Netherlands	Marketing	$ 25,348	$ -	1,500,000	100%	$ 16,875	$ (116)	-	1 and 10
Hsu-Ta Investment Corp.	Zilltek Technology Corp.	Taiwan	Research, manufacturing and sales	$ -	$ 1,239,420	-	-	$ -	$ 476,707	-	9
	Airoha Technology Corp.	Taiwan	Research, manufacturing and sales	$ -	$ 2,968,722	-	-	$ -	$ 2,691,949	-	1 and 9
	Hsiang Fa Co.	Taiwan	General investing	$ -	$ 4,405,188	-	-	$ -	$ 657,076	-	1 and 9
	MediaTek Bangalore Private Limited	India	Research	$ -	$ -	-	-	$ -	$ 389,027	-	1 and 9
Hsiang Fa Co.	MediaTek Research Corp.	Taiwan	Research	$ 800	$ 800	80,000	100%	$ 12,805	$ 1,980	-	1
	InnoFusion Technology Corp.	Taiwan	Technical services	$ 74,539	$ 74,539	112,000,000	100%	$ 1,105,232	$ 18,452	-	1
	Chingis Technology Corporation	Taiwan	Research	$ 637,932	$ 727,932	91,936,991	100%	$ 537,624	$ 100,861	-	1
	CMOS-Crystal TECHNOLOGY CO., LIMITED	Taiwan	Research	$ 18,189	$ 18,189	25,001	20%	$ 15,493	$ (1,382)	-	-
	Intelligo Technology Inc.	Cayman Islands	Research, manufacturing and sales	$ 178,805	$ 178,805	801,375	2%	$ 183,431	$ 240,053	-	-
Airoha Technology Corp.	ASIX Electronics Corpration	Taiwan	Research, manufacturing and sales	$ 495,875	$ 495,875	12,396,396	20%	$ 556,296	$ 215,439	-	-
	IC PLUS Corp.	Taiwan	Research, manufacturing and sales	$ 1,947,085	$ 14,311	28,213,800	29%	$ 1,956,559	$ (113,797)	-	1 and 2
	Shadow Investment Limited	Samoa	General investing	$ -	$ -	12,360,000	100%	$ 1,138	$ (38)	-	1
	Airoha Technology USA Inc.	United States	Research	$ 12,563	$ 12,563	10,000	100%	$ 21,593	$ 4,862	-	1
	Airoha Technology India Private Limited	India	Research	$ 37,312	$ 37,312	9,500,000	100%	$ 46,312	$ 6,677	-	1
	Airoha Technology (HK) Limited	Hong Kong	General investing, research, manufacturing and sales	$ 2,214,341	$ 2,214,341	48,034,520	100%	$ 3,251,203	$ 338,013	-	1
	Airoha (Cayman) Inc.	Cayman Islands	General investing	$ 55,183	$ 55,183	4,253,337	100%	$ 188,536	$ 22,377	-	1
Airoha Technology (Suzhou) Limited	EcoNet Limited	British Virgin Islands	General investing and sales	CNY 2,640	CNY 2,640	400,000	100%	CNY 37,055	CNY (592)	-	1
MediaTek Investment HK Limited	Hsu Kang (Samoa) Investment Ltd.	Samoa	General investing	USD -	USD 183,806	-	-	USD -	USD 6,006	-	8
	Hsu Fa (Samoa) Investment Ltd.	Samoa	General investing	USD 543,969	USD 184,907	3,596,558,036	100%	USD 541,405	USD 6,711	-	1 and 8
	Hsu Chia (Samoa) Investment Ltd.	Samoa	General investing	USD -	USD 185,774	-	-	USD -	USD 5,054	-	8
MediaTek Capital Co.	Zilltek Technology Corp.	Taiwan	Research, manufacturing and sales	$ 1,789,069	$ 531,180	10,000,000	18%	$ 1,819,206	$ 476,707	-	9
	Airoha Technology Corp.	Taiwan	Research, manufacturing and sales	$ 723,403	$ -	6,000,000	4%	$ 737,304	$ 2,691,949	-	1 and 9
	Hsiang Fa Co.	Taiwan	General investing	$ 16,222,537	$ -	236,801,136	100%	$ 17,311,169	$ 657,076	-	1 and 9
	MediaTek Bangalore Private Limited	India	Research	$ 0	$ -	1	0%	$ 0	$ 389,027	-	1 and 9

(To be continued)

(Continued)

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

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2024			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Capital Co.	IStar Technology Ltd.	Cayman Islands	General investing	$ 4,036	$ 4,036	50,000	100%	$ 3,894	$ (158)	-	1

Note 1: Investee is a subsidiary in consolidated group.
Note 2: Intellectual Property Innovation Corp. reduced its shareholding ratio to 5% in June 2024. Following an assessment, our company concluded that it no longer possesses the ability to lead relevant activities of the investee resulting in the loss of control.
The investments was previously accounted for using the equity method, reclassified as equity instrument measured at fair value through other comprehensive income non-current
Note 3: MediaTek Inc. and Airoha Technology Corp. has gained substantial control over IC PLUS Corp. since July 1,2024, changed from the associate to the subsidiary.
Note 4: For the purpose of reorganization, the 100% ownership of MediaTek Korea Inc., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Inc. in September 2024.
Note 5: For the purpose of reorganization, the 100% ownership of MediaTek Japan Inc., which was previously owned by Gaintech Co. Limited, was transferred to MediaTek Inc. in July 2024.
Note 6: For the purpose of reorganization, Core Tech Resources Inc. was dissolved due to merger into Digimoc Holdings Limited on October 31, 2024. Subsidiaries previously owned by Core Tech Resources Inc. were transferred to Digimoc Holdings Limited.
Note 7: MediaTek Singapore Pte. Ltd. established MaiSys Design Technology SG Pte. Ltd. in May 2024.
Note 8: For the purpose of reorganization, Hsu Chia (Samoa) Investment Ltd. and Hsu Kang (Samoa) Investment Ltd. were dissolved due to merger into Hsu Fa (Samoa) Investment Ltd. on November 30, 2024.
Note 9: For the purpose of reorganization, Hsu-Ta Investment Corp. was dissolved due to merger into MediaTek Capital Co. on October 31, 2024. Subsidiaries and associates previously owned by Hsu-Ta Investment Corp. were transferred to MediaTek Capital Co..
Note 10: For the purpose of reorganization, the 100% ownership of Richtek Europe B.V., which was previously owned by Richtek Europe Holding B.V., was transferred to Richtek Technology Corp. in December 2024.

MEDIATEK INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

For the year ended December 31, 2024

Attachment 10

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

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 3. B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2024	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
MediaTek (Shenzhen) Inc.	Research	$ 3,589 USD 110	MediaTek China Limited	$ 2,949,120 USD 90,000	- -	- -	$ 2,949,120 USD 90,000	$ 483,960 USD 15,073	100%	$ 483,960 USD 15,073	$ 7,816,200 USD 238,532	-
MediaTek (Hefei) Inc.	Research	$ 557,056 USD 17,000	MediaTek China Limited	$ 557,056 USD 17,000	- -	- -	$ 557,056 USD 17,000	$ 198,100 USD 6,170	100%	$ 198,100 USD 6,170	$ 1,230,362 USD 37,548	-
MediaTek (Beijing) Inc.	Research	$ 3,276,800 USD 100,000	MediaTek China Limited	$ 3,276,800 USD 100,000	- -	- -	$ 3,276,800 USD 100,000	$ 587,200 USD 18,288	100%	$ 587,200 USD 18,288	$ 5,208,269 USD 158,944	-
MediaTek (Chengdu) Inc.	Research	$ 1,631,846 USD 49,800	MediaTek China Limited	$ 1,631,846 USD 49,800	- -	- -	$ 1,631,846 USD 49,800	$ 147,574 USD 4,596	100%	$ 147,574 USD 4,596	$ 1,983,332 USD 60,527	-
MediaTek (Wuhan) Inc.	Research	$ 792,986 USD 24,200	MediaTek China Limited	$ 544,174 USD 16,607	- -	- -	$ 544,174 USD 16,607	$ 52,066 USD 1,622	100%	$ 52,066 USD 1,622	$ 901,792 USD 27,521	-
Xuxin Investment (Shanghai) Inc.	General investing	$ 2,306,867 USD 70,400	MediaTek China Limited	$ 2,306,867 USD 70,400	- -	- -	$ 2,306,867 USD 70,400	$ 343,070 USD 10,685	100%	$ 343,070 USD 10,685	$ 3,364,219 USD 102,668	-
MediaTek (Shanghai) Inc.	Research	$ 1,329,559 CNY 297,000	MediaTek China Limited	$ 1,588,239 USD 48,469	- -	- -	$ 1,588,239 USD 48,469	$ 110,646 USD 3,446	100%	$ 110,646 USD 3,446	$ 2,775,442 USD 84,700	-
MStar Software R&D (Shenzhen), Ltd.	Technical services	$ 983,040 USD 30,000	MStar Co., Ltd.	$ 983,040 USD 30,000	- -	- -	$ 983,040 USD 30,000	$ 11,017 USD 343	100%	$ 11,017 USD 343	$ 539,312 USD 16,458	-
Airoha Technology (Suzhou) Limited	Research, manufacturing and sales	$ 327,680 USD 10,000	Airoha Technology (HK) Limited	$ 327,680 USD 10,000	- -	- -	$ 327,680 USD 10,000	$ 354,315 USD 11,035	70%	$ 248,945 USD 7,753	$ 2,798,650 USD 85,408	$ 7,544,989 USD 230,255
Richpower Microelectronics Co., Ltd.	Technical services	$ 104,858 USD 3,200	Richtek Technology Corp.	$ 104,858 USD 3,200	- -	- -	$ 104,858 USD 3,200	$ 14,323	100%	$ 14,323	$ 39,470	-
Li-We Technology Corp.	Technical services	$ 81,920 USD 2,500	Richtek Technology Corp.	$ 81,920 USD 2,500	- -	- -	$ 81,920 USD 2,500	$ 38,762	100%	$ 38,762	$ 89,967	-
Zelus (Shenzhen) Technology Ltd.	Research and sales	$ 168,755 USD 5,150	Gaintech Co. Limited	$ 169,748 USD 5,180	$ 882 USD 27	- -	$ 170,630 USD 5,207	$ 3,279 USD 102	88%	$ 2,896 USD 90	$ 170,743 USD 5,211	-
Vanchip (Tianjin) Technology Co., Ltd.	Research, manufacturing and sales	$ 1,915,313 CNY 427,847	Gaintech Co. Limited	$ 1,310,720 USD 40,000	- -	- -	$ 1,310,720 USD 40,000	$ (189,941) USD (5,916)	24%	$ 72,865 USD 2,269	$ 4,559,987 USD 139,160	-
Nephos (Hefei) Co., Ltd.	Research, manufacturing and sales	$ 1,351,680 USD 41,250	Nephos Cayman Co. Limited	$ 3,737,198 USD 114,050	- -	- -	$ 3,737,198 USD 114,050	$ (52,205) USD (1,626)	100%	$ (52,205) USD (1,626)	$ (87,706) USD (2,677)	-
Airotek (Shenzhen) Inc.	Research and technical services	$ 31,130 USD 950	Airoha (Cayman) Inc.	$ 31,130 USD 950	- -	- -	$ 31,130 USD 950	$ 8,797 USD 274	70%	$ 6,187 USD 193	$ 82,104 USD 2,506	-

(To be continued)

MEDIATEK INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

For the year ended December 31, 2024

(Continued)

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

Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 3. B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2024	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of December 31, 2024	Accumulated Inward Remittance of Earnings as of December 31, 2024
					Outflow	Inflow						
Airotek (Chengdu) Inc.	Research	$ 31,130 USD 950	Airoha (Cayman) Inc.	$ 31,130 USD 950	-	-	$ 31,130 USD 950	$ 13,335 USD 415	70%	$ 9,366 USD 292	$ 92,393 USD 2,820	-
Sigmastar Technology Ltd.	Research, manufacturing and sales	$ 1,884,930 CNY 421,060	Sigmastar Technology Inc.	$ 65,536 USD 2,000	-	-	$ 65,536 USD 2,000	$ 1,084,501 USD 33,776	29%	$ 341,172 USD 10,626	$ 10,114,735 USD 308,677	-
Xuxi (Shanghai) Management Consulting Co., Ltd	General investing	$ 1,947,782 CNY 435,100	Xuxin Investment (Shanghai) Inc.	$ 2,033,825 USD 62,067	$ 180 USD 5	-	$ 2,034,004 USD 62,072	$ 338,463 CNY 75,971	100%	$ 338,463 CNY 75,971	$ 2,893,863 CNY 646,438	-
Shanghai KQC Financial Management	General investing	$ 147,729 CNY 33,000	Xuxin Investment (Shanghai) Inc.	$ 32,010 USD 977	-	-	$ 32,010 USD 977	$ (1) CNY (0)	20%	$ (0) CNY (0)	$ 29,545 CNY 6,600	-
Hefei Xuhui Management Consulting Co., Ltd.	General investing	$ 1,947,334 CNY 435,000	Xuxi (Shanghai) Management Consulting Co.,Ltd	$ 2,033,551 USD 62,059	-	-	$ 2,033,551 USD 62,059	$ 338,511 CNY 75,982	100%	$ 338,511 CNY 75,982	$ 2,893,671 CNY 646,395	-

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
$ 23,797,509 USD 726,242	$ 30,811,699 USD 940,298	$ 237,976,247

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

Note 2: Recognized in financial statements audited by the auditors of the parent company in Taiwan.

Note 3: 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 4: 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=32.10873 NTD; 1 CNY=4.45515 NTD).

Other amounts are converted by the exchange rate at reporting date. (1 USD=32.768 NTD; 1 CNY=4.47763 NTD)

APPENDIX A – THE SECURITIES MARKET OF THE ROC

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by us, the Initial Purchaser, or any of our or its respective affiliates or advisors in connection with the Offering.

In September 1960, the MOEA established the ROC Securities and Exchange Commission to supervise and control all aspects of the existing domestic securities market and the TWSE began to take shape soon thereafter. In the 1970s and the early 1980s, the ROC Government implemented a number of steps designed to upgrade the quality and importance of the ROC securities markets, such as encouraging listing on the TWSE and establishing an over-the-counter securities exchange. In the mid-1980s, the ROC Government began to revise its laws and regulations in a manner designed to facilitate the gradual internationalization of the ROC securities markets. In 1997, the ROC Securities and Exchange Commission was renamed the ROC Securities and Futures Commission. Effective July 1, 2004, the ROC Government established the FSC, the single financial regulator that supervises banking, securities and insurance affairs in the ROC. The ROC Securities and Futures Commission has since then become a bureau under the supervision of the FSC and been renamed the Securities and Futures Bureau (the "SFB").

The TWSE

In 1961, under the instruction of the ROC Government, the TWSE was established to provide a marketplace for securities trading. The TWSE is a corporation owned by government-controlled and private banks, securities companies and enterprises. The TWSE is independent of the entities transacting business through it, each of which pays to the TWSE a user's fee. Subject to limited exceptions, all transactions in listed securities by brokers, traders and integrated securities firms must be made through the TWSE.

The TWSE commenced operations in 1962. During the early 1980s, the TWSE actively encouraged new listings on the TWSE and the number of listed companies has grown from 119 in 1983 to 1,079 as of June 30, 2026. As of June 30, 2026, the market capitalization of companies listed on the TWSE was approximately NT$150.5 trillion.

Historically, ROC companies have listed only shares and bonds on the TWSE. However, the FSC has encouraged companies to list other types of securities. In 1988, the Ministry of Finance (the "MOF") permitted the issuance of ROC's first exchangeable bonds. Since 1989, there have been offerings of domestic convertible bonds and convertible preferred shares. In addition, beneficiary units evidencing beneficiary interests in closed-end investment funds and bonds issued by supranational financial institutions are also listed on the TWSE or traded on the TPEx (which is discussed below). The FSC also has promulgated regulations which permit foreign issuers to list certain securities on the TWSE.

The TWSE considers the following factors when evaluating a company for listing:

- the number of shareholders and the distribution of shareholdings among such shareholders;
- the length of time in business;
- the amount of paid-in capital; and
- profitability.

However, special listing criteria apply to certain industries, such as technology companies and key businesses engaged in national economic development.

The following table sets forth, for the periods indicated, information relating to the TWSE.

Period Ended December 31,	Number of Listed Companies at the Period End	Stock Trading Values (NT$ in billions)	Index High	Index Low	Index at Period End
2001	584	18,354.94	6,104.24	3,446.26	5,551.24
2002	638	21,873.95	6,462.30	3,850.04	4,452.45
2003	669	20,333.24	6,142.32	4,139.50	5,890.69
2004	697	23,875.37	7,034.10	5,316.87	6,139.69
2005	691	18,818.90	6,575.53	5,632.97	6,548.34
2006	688	23,900.36	7,823.72	6,257.80	7,823.72
2007	698	33,043.85	9,809.88	7,344.56	8,506.28
2008	718	26,115.41	9,295.20	4,089.93	4,591.22
2009	741	29,680.47	8,188.11	4,242.61	8,188.11
2010	758	28,218.68	8,972.50	7,071.67	8,972.50
2011	790	26,197.41	9,145.35	6,633.33	7,072.08
2012	809	20,238.17	8,144.04	6,894.66	7,699.50
2013	838	18,940.93	8,623.43	7,616.64	8,611.51
2014	854	21,898.54	9,569.17	8,264.48	9,307.26
2015	874	20,191.49	9,973.12	7,410.34	8,338.06
2016	892	16,771.14	9,392.68	7,664.01	9,253.50
2017	907	23,972.24	10,854.57	9,272.88	10,642.86
2018	928	29,608.87	11,253.11	9,478.99	9,727.41
2019	942	26,464.63	12,122.45	9,382.51	11,997.14
2020	948	45,654.29	14,732.53	8,681.34	14,732.53
2021	959	92,289.97	18,248.28	14,902.03	18,218.84
2022	971	56,080.59	18,562.35	12,666.12	14,137.69
2023	997	63,170.25	17,930.81	14,199.13	17,930.81
2024	1,031	92,288.98	24,390.03	17,161.79	23,035.10
2025	1,063	93,259.32	28,963.60	17,391.76	28,963.60
2026 (through June 30, 2026)	1,079	109,371.26	47,741.51	29,349.81	46,125.91

Source: TWSE

The TPEx

To complement the TWSE, the GreTai Securities Market was established in November 1994 on the initiative of the MOF to encourage the trading of securities of companies that do not qualify for listing on the TWSE was later renamed as TPEx.

The TPEx has established specific requirements for trading securities on the TPEx based on the history of a company, the number and distribution of a company's shareholders, amount of capital, profitability and capital structure.

Price Limits, Commissions, Transaction Tax and Other Matters

The TWSE has placed limits on block trading and on the range of daily price movements. According to the TWSE's block trading guidelines, an order for sale or purchase of 500 or more trading lots or trading amounts exceeding NT$15 million of one class of securities, or securities of five or more different classes and trading amounts exceeding NT$15 million, must be registered and executed in accordance with the guidelines. Fluctuations in the price of stock traded on the TWSE are currently subject to a restriction of 10% above and below the previous day's closing price (or reference price set by the TWSE if the previous day's closing price is not available because of lack of trading activity). However, these restrictions have been modified from time to time by the FSC based on market conditions. Brokerage commissions may be set at any rate based on the transaction price, provided that a rate exceeding 0.1425% is reported to the TWSE and disclosed to the client in advance. A securities transaction tax, currently levied at 0.3% of the transaction price, is payable by the seller of equity securities. Such securities transaction tax is withheld at the time of the transaction giving rise to such tax. Shares of TWSE-listed companies are generally traded in round lots of 1,000 shares, while both intraday and after-hours odd-lot trading are available in one-share units.

Starting from January 15, 2016, upon the occurrence of any matter which may have a material impact on the shareholders' equity or the price of securities of a TWSE-listed company (e.g., merger), such company should apply to the TWSE, or the TWSE should request, for suspension of trading of its shares for one to three trading days (or a longer period if necessary).

Regulation and Supervision

The FSC has extensive regulatory authority over public companies. Public companies are generally required to obtain the deemed approval from the FSC for all securities offerings. The FSC has promulgated regulations requiring, unless otherwise exempted, periodic reporting of financial and operating information by all public companies. In addition, the FSC establishes standards for financial reporting and carries out licensing and supervision of participants in the ROC securities market.

The FSC has responsibility for implementing the ROC Securities and Exchange Act and for overall administration of governmental policies in the ROC securities market. It has extensive regulatory authority over the offering, issuance and trading of securities. In addition, the ROC Securities and Exchange Act specifically empowers the FSC to promulgate necessary rules. The ROC Securities and Exchange Act prohibits market manipulation. For example, it permits an issuer to recover short-swing trading profits made through purchases and sales within six months by directors, managerial personnel, supervisors, as well as the spouses, minor children and nominees of these parties, and shareholders (together with their spouses, minor children and nominees) who hold more than 10% of the shares of the issuer. The ROC Securities and Exchange Act prohibits trading by "insiders" based on non-public information that materially affects share price movement prior to publication of such information and within 18 hours after publication of such information. "Insiders" include:

- directors, supervisors, managers, as well as the spouses, minor children and nominees of these parties, and shareholders (together with their spouses, minor children and nominees) who hold more than 10% of the issuing company's shares and any individual designated by a governmental or corporate director or supervisor to act on its behalf;

- any person who has learned material non-public information due to an occupational or controlling relationship with the issuing company;

- any person who has ceased to hold a status or position described in the first or second bullet point for a period of less than six months; and

- any person who has learned material non-public information from any of the above.

Sanctions include imprisonment. In addition, damages may be awarded to persons injured by the transaction. The ROC Securities and Exchange Act also imposes criminal liability on certified public accountants

and lawyers who make false certifications in their examination and audit of an issuer's contracts, reports and other documents related to securities transactions. The FSC regulations require that financial reports of listed companies be audited by accounting firms consisting of at least three certified public accountants who have at least five years of practical experience in executing, or participating in and assisting with, financial report auditing works and be signed by at least two certified public accountants.

In addition, the ROC Securities and Exchange Act provides for civil liability for material misstatements or omissions made by issuers and regulates tender offers. Although the FSC does not have criminal or civil enforcement powers under the ROC Securities and Exchange Act, the FSC has the quasi-judicial power under the Organization Act Governing the Financial Supervisory Commission to investigate a person who violates the Banking Act, the Securities and Exchange Act, the Insurance Act, and other relevant laws. Criminal actions may be pursued only by government prosecutors. Civil actions may be brought by plaintiffs directly who assert that they have suffered damages or through the Securities and Futures Investors Protection Center on their behalf. The FSC is empowered to curb abuses and violations of laws and regulations only through administrative measures including:

- issuance of warnings;
- temporary suspension of operation;
- imposition of administrative fines; and
- revocation of licenses.

In addition to providing a market for securities trading, the TWSE reviews applications by ROC and foreign issuers to list securities on the TWSE. If issuers of listed securities violate laws and regulations or encounter significant difficulties, the TWSE may, with the approval of the FSC, delist the securities of these issuers.

APPENDIX B – FOREIGN INVESTMENT AND EXCHANGE CONTROLS IN THE ROC

The information presented in this section has been extracted from publicly available documents which have not been prepared or independently verified by us, the Initial Purchaser or any of our or its respective affiliates or advisors in connection with this offering.

Foreign Investment

Historically, foreign investment in the ROC securities markets has been restricted. Since 1983, the ROC Government has periodically enacted legislation and adopted regulations to permit foreign investment in the ROC securities market.

Regulations Governing Investment in Securities by Overseas Compatriots and Foreign Nationals (the "Foreign Regulations"), which was approved by the ROC Executive Yuan on May 26, 1983 and has been amended from time to time, and the Regulations Governing Securities Investment and Futures Trading in Taiwan by Mainland Area Investors (the "PRC Regulations"), which was announced by the FSC on April 30, 2009 and further amended on October 6, 2010, are two of the major regulations governing foreign investment in companies listed on the TWSE or the TPEx in the ROC.

Under the Foreign Regulations, foreign investors (other than PRC persons) are classified as either "onshore foreign investors" or "offshore foreign investors" according to their respective geographical location. Unless otherwise specified in the laws and regulations, both onshore and offshore foreign investors are allowed to trade securities listed on TWSE after they register with the TWSE; provided that the TWSE may terminate the registration if the application documents submitted by foreign investors are untrue or incomplete or if any material violation of laws or relevant regulations exists. The Foreign Regulations further classify foreign investors into foreign institutional investors and foreign individual investors. "Foreign institutional investors" refer to those investors incorporated and registered in accordance with foreign laws outside of the ROC (i.e., offshore foreign institutional investors) or their branches set up and recognized within the ROC (i.e., onshore foreign institutional investors). Offshore overseas Chinese and foreign individual investors may be subject to a maximum investment ceiling that will be separately determined by the FSC after consultation with the CBC. Currently, there is no maximum investment ceiling for offshore overseas Chinese and foreign individual investors. On the other hand, foreign institutional investors are not subject to any ceiling for investment in the ROC securities market.

In the past, PRC persons were prohibited from investing, whether directly or indirectly, in the ROC. The PRC Regulations, promulgated in 2009 and amended in 2010, allow PRC nationals and institutional investors to make investment in ROC securities, if they are qualified for any of the following categories: (i) qualified domestic institutional investors approved by the PRC government, also known as "QDIIs"; (ii) PRC residents who are employees of a TWSE-listed or TPEx listed company and thereupon granted securities; (iii) companies incorporated under the laws of PRC or PRC residents who are the shareholders of a foreign company whose shares or depositary receipts are listed and traded on the TWSE or TPEx; or (iv) other categories as permitted by the competent authority. Subject to the requirements and restrictions set forth below, a PRC investor may invest in TWSE-listed or TPEx-listed securities, beneficiary certificates issued by securities investment trusts, government bonds, bank debentures, corporate bonds issued by public companies, beneficiary securities or asset-backed securities issued by the special purpose trust or special purpose vehicle, warrants and other securities as permitted by the FSC.

- PRC investors are required to appoint their agent or nominee in Taiwan for opening a securities trading account.
- PRC investors are required to appoint a custodian permitted by the competent authority to handle the custody of funds and certificates related to securities.
- In exercising the voting rights of the shares of a TWSE-listed or TPEx-listed company, unless otherwise permitted by laws and regulations, PRC investors may not substantially control or effect the operation and management of the company.

- The amount of investment remittance for each QDII is capped at US$100 million, and the total amount remitted into Taiwan by all QDIIs shall not exceed US$500 million.

- The PRC investor may not exceed the PRC ownership limit imposed by the Taiwan competent authority.

Depositary Receipts

In April 1992, the ROC Securities and Futures Commission (later reformed and known as the SFB) enacted regulations permitting ROC companies with securities listed on the TWSE, with the prior approval of the FSC, to sponsor the issue and sale to foreign investors of depositary receipts. Depositary receipts represent deposited shares of ROC companies. In December 1994, the MOF further allowed companies whose shares are traded on the TPEx or listed on the TWSE, upon approval of the FSC, to sponsor the issue and sale of depositary receipts.

A holder of depositary receipts may, after the issuance of the depositary receipts representing new shares and upon the listing of the underlying shares and (in practice, typically four to seven business days thereafter), request the depositary to either cause the underlying shares to be sold in the ROC and to distribute the sale proceeds to the holder or to withdraw from the depositary receipt facility the shares represented by the depositary receipts and deliver the shares to the holder. For depositary shares that represent previously issued and existing shares, a holder of the depositary receipts could, immediately after the issuance of the depositary receipts, request the depositary to conduct the foregoing. Currently, a holder of depositary shares who is a PRC person may not withdraw and hold shares unless (i) it is a QDII who will hold less than 10% (or less in certain industries) of the issuer's issued shares, or (ii) if all the businesses of the issuer are in the positive list promulgated by the ROC Executive Yuan, the holder withdraws shares which (together with its existing shareholding in the issuer) account for 10% or more (or other threshold required by the regulators) of the issuer's issued shares and it otherwise obtains the approval of the Department of Investment Review of the MOEA (the "DIR"). However, QDIIs are currently prohibited from investing in certain industries, and their investment in certain other industries in a given company is restricted to a certain percentage pursuant to a list promulgated by the ROC Executive Yuan and amended from time to time. In addition, there are restrictions on the amount remitted to the ROC for investments by each individual QDII and for QDIIs in the aggregate in certain industries. Accordingly, the qualification criteria for a PRC person to make investment, the restrictions on investment in certain industries and the investment threshold imposed by the FSC might cause a holder of depositary shares who is a PRC person to be unable to withdraw and hold the underlying shares.

Under existing laws and regulations relating to foreign exchange control, a depositary or a holder of depositary receipts may, without obtaining further approvals from the CBC or any other governmental authority or agency of the ROC, convert NT dollars into other currencies, including US dollars, in respect of the following: (1) proceeds of the sale of shares represented by depositary receipts, (2) proceeds of the sale of shares received as stock dividends and deposited into the depositary receipt facility and (3) any cash dividends or cash distributions received. In addition, a depositary, also without any of these approvals, may convert inward remittances of payments into NT dollars for purchases of shares for deposit into the depositary receipt facility against the creation of additional depositary receipts. A depositary may be required to obtain foreign exchange approval from the CBC on a payment-by-payment basis for conversion from NT dollars into foreign currencies relating to the sale of subscription rights for new shares if the proceeds are in excess of US$100,000 per remittance. Proceeds from the sale of the underlying shares withdrawn from the depositary receipt facility may be used for reinvestment in the TWSE or the TPEx securities, subject to relevant regulations.

Under current ROC laws, a non-ROC holder of depositary receipts, when withdrawing the shares underlying the depositary receipts, will be required to register with the TWSE and appoint a local agent to open a securities trading account with a local brokerage firm and an NT dollar bank account, pay taxes, remit funds, exercise rights relating to the securities and perform such other matters as may be designated by such holder of depositary receipts on behalf of and as an agent for such holder of depositary receipts. Any such holder of depositary receipts is also required to appoint a local bank or securities firm to act as custodian to hold the securities and any cash proceeds in safekeeping, to make confirmations, to settle trades and to report all relevant information. In addition, except for a foreign institutional investor with a fixed place of business or business agent in the ROC, such holder of depositary receipts is required to appoint an agent in the ROC to file tax returns and pay taxes on its behalf

and to submit documents evidencing the appointment to the competent tax authority for approval. Without meeting the foregoing requirements, the withdrawing holder of depositary receipts would be unable to hold and subsequently sell or otherwise transfer the underlying shares withdrawn from the depositary receipt facility on the TWSE or otherwise.

Overseas Corporate Bonds

Since 1989, the FSC has approved a series of overseas bonds issued by ROC companies listed on the TWSE in offerings outside the ROC. Under current ROC law, such overseas corporate bonds (i) can be converted by bondholders into shares of ROC companies or (ii) subject to FSC approval, may be converted into depositary receipts issued by the same ROC company or by the issuing company of the exchange shares, in the case of exchangeable bonds. A PRC holder of convertible bonds may not convert bonds unless (i) it is a QDII who will hold less than 10% (or less in certain industries) of the issuer's issued shares or (ii) if all the businesses of the issuer are in the positive list promulgated by the ROC Executive Yuan, the shares converted from overseas convertible bonds which (together with its existing shareholding in the issuer) account for 10% or more (or other threshold required by the regulators) of the issuer's issued shares and it otherwise obtains the approval of the MOEA. However, QDIIs are currently prohibited from investing in certain industries, and their investment in certain other industries in a given company is restricted to a certain percentage pursuant to a list promulgated by the FSC and amended from time to time. In addition, there are restrictions on the amount remitted to the ROC for investments by QDIIs, separately and jointly. Accordingly, the qualification criteria for a PRC person to make investment, the restrictions on investment in certain industries and the investment threshold imposed by the FSC might cause a holder of the corporate bonds who is a PRC person to be unable to convert or exchange the bonds and hold the shares. The relevant regulations also permit public issuing companies to issue corporate debt in offerings outside the ROC. Proceeds from the sale of the shares converted from overseas convertible bonds may be used for reinvestment in securities listed on the TWSE or traded on the TPEx, subject to relevant regulations.

Under current ROC law, a non-ROC converting bondholder, when exercising its conversion right to convert bonds into common shares, is required to register with the TWSE and appoint a local agent to open a securities trading account with a local brokerage firm and an NT dollar bank account, pay taxes, remit funds, exercise rights relating to the securities and perform such other matters as may be designated by such converting bondholder on behalf of and as agent for such converting bondholder. Any such converting bondholder is also required to appoint a custodian bank to hold the securities and any cash proceeds in safekeeping, to make confirmations, to settle trades and to report all relevant information. In addition, except for a foreign institutional investor with a fixed place of business or business agent in the ROC, such converting bondholder is required to appoint an agent in the ROC to file tax returns and pay taxes on its behalf and to submit documents evidencing the appointment to the competent tax authority for approval. Without meeting these requirements, the converting holder would not be able to receive, hold, or subsequently sell or otherwise transfer the shares into which the overseas bonds may have been converted on the TWSE or otherwise.

Unless otherwise limited by the CBC, an ROC company may, without obtaining further approvals from the CBC or any other government authority of the ROC, convert NT dollars to other non-ROC currencies, including US dollars, for making payments in respect of redemption of the bonds or repayment of principal of and interest on the bonds. A non-ROC converting bondholder may, through its local agent and without obtaining prior approval from the CBC, convert into foreign currencies net proceeds realized from the sale of converted common shares or any stock dividends relating to such shares, or any cash dividend or other cash distribution in respect of such common shares and, after becoming a shareholder, inward remittances of subscription payments in connection with a rights offering. However, a converting bondholder must obtain prior approval from the CBC on a payment-by-payment basis for conversion from NT dollars into other currencies in respect of the proceeds from the sale of subscription rights for newly issued shares if the proceeds are in excess of US$100,000 per remittance.

Other Foreign Investment

In addition to investments permitted under the Foreign Regulations and PRC Regulations, foreign investors (other than PRC persons) who wish to make (i) direct investments in the shares of ROC private companies or (ii) investment in 10% or more of the equity interest of an ROC company listed on the TWSE or the TPEx in any single transaction and PRC investors who wish to make (i) direct investment in the shares of ROC private companies or (ii)

investments, individually or aggregately, in 10% or more (or other threshold required by the regulators) of the equity interest of an ROC company listed on the TWSE or the TPEx in certain industries on the positive list, as promulgated by the ROC Executive Yuan are required to submit an investment approval application to the DIR of the MOEA or other government authority. The DIR or such other government authority reviews each investment approval application and approves or disapproves each application after consultation with other governmental agencies (such as the CBC and the FSC). PRC investors other than QDII are prohibited from making investments in an ROC company listed on the TWSE or the TPEx if the investment is less than 10% (or less in certain industries) of the equity interest of such ROC company.

Under current law, any non-ROC person possessing an investment approval may remit capital for the approved investment and is entitled to repatriate annual net profits, interest and cash dividends attributable to such investment. Dividends attributable to such investment may be repatriated upon submitting certain required documents to the remitting bank, and investment capital and capital gains attributable to such investment may be repatriated after approvals of the DIR or other authorities have been obtained.

In addition to the general restriction against direct investment by foreign investors in securities of ROC companies, foreign investors (other than PRC persons or except in certain limited cases) are currently prohibited from investing in certain industries in the ROC pursuant to a negative list, as amended by the ROC Executive Yuan. The prohibition on foreign investment in the prohibited industries specified in the negative list is absolute in the absence of specific exemption from the application of the negative list. Pursuant to the negative list, certain other industries are restricted so that foreign investors (except in certain limited cases) may invest in such industries only up to a specified level and with the specific approval of the relevant competent authority which is responsible for enforcing the relevant legislation which the negative list is intended to implement.

On the other hand, in addition to the general restriction against direct investment by PRC investors in securities of ROC companies, PRC investors may only invest in certain industries in the positive list, as promulgated by the ROC Executive Yuan. In addition, a PRC investor that wishes to be elected as a ROC company's director or supervisor shall also submit an investment approval application to the DIR of the MOEA or other government authority for approval.

Exchange Controls

The ROC Foreign Exchange Control Statute and regulations provide that all foreign exchange transactions must be executed by banks designated by the FSC and the CBC to handle foreign exchange transactions. Current regulations favor trade-related foreign exchange transactions. Consequently, foreign currency earned from exports of merchandise and services may now be retained and used freely by exporters. All foreign currency needed for the importation of merchandise and services may be purchased freely from the designated foreign exchange banks.

Aside from trade-related foreign exchange transactions, ROC companies and individual residents of the ROC may, without foreign exchange approval, remit to and from the ROC in each calendar year foreign currencies of up to US$100 million (or its equivalent) and US$10 million (or its equivalent), respectively, or such other amount as determined by the CBC from time to time at its discretion in consideration of the ROC's economic and financial conditions or the needs to maintain the order of foreign exchange market in the ROC. These limits apply to remittances involving a conversion between NT dollars and US dollars or other foreign currencies. In addition, all private enterprises are required to register all medium- and long-term foreign debt with the CBC.

In addition, a foreign person may, subject to certain requirements but without foreign exchange approval, remit to and from the ROC foreign currencies of up to US$100,000 (or its equivalent) per remittance if the required documentation is provided to the ROC authorities. This limit applies to remittances involving a conversion between NT dollars and US dollars or other foreign currencies.

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