

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

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

English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To the Board of Directors and Shareholders
of MediaTek Inc.

Opinion

We have audited the accompanying parent company only balance sheets of MediaTek Inc. as of December 31, 2024 and 2023, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2024 and 2023, and notes to the parent company only financial statements, including the summary of material accounting policies (together “the parent company only financial statements”).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of MediaTek Inc. as of December 31, 2024 and 2023, and the parent company only financial performance and the parent company only 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.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of 2024 parent company only financial statements. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition

MediaTek Inc. recognized NT\$280,438,884 thousand as net sales, which includes sale of goods in the amount of NT\$269,578,696 thousand and services and other operating revenues in the amount of NT\$10,860,188 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 the parent company only financial statements.

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2024 parent company only financial statements and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

PARENT COMPANY ONLY 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)	\$ 89,141,863	14	\$ 47,975,519	9
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	1,815,248	-	2,430,520	-
Financial assets measured at amortized cost-current	4, 6(4)	199,487	-	361,079	-
Trade receivables, net	4, 6(5), 6(20)	20,514,957	3	33,354,341	6
Trade receivables from related parties, net	4, 6(5), 6(20), 7	639,358	-	529,579	-
Finance lease receivables, net	4, 6(20), 6(21)	727,892	-	727,892	-
Other receivables	6(6)	4,052,306	1	2,921,418	1
Other receivables from related parties	7	22,475,481	3	304,451	-
Current tax assets	4, 5, 6(28)	1,114,792	-	-	-
Inventories	4, 5, 6(7)	27,613,619	4	25,078,769	4
Prepayments	6(8), 9	7,865,439	2	2,755,272	1
Other current assets	9	3,616,366	1	853,426	-
Total current assets		<u>179,776,808</u>	<u>28</u>	<u>117,292,266</u>	<u>21</u>
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	33,500	-	708,472	-
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	5,996,297	1	6,892,365	1
Financial assets measured at amortized cost-noncurrent	4, 6(4), 8	2,163,123	1	2,363,083	1
Investments accounted for using the equity method	4, 6(9)	350,291,663	54	308,672,201	55
Property, plant and equipment	4, 6(10)	33,511,820	5	30,714,741	6
Right-of-use assets	4, 6(21)	2,163,104	-	2,325,926	-
Intangible assets	4, 6(11), 6(12)	61,487,848	9	62,090,859	11
Deferred tax assets	4, 5, 6(28)	8,383,668	1	10,028,618	2
Refundable deposits	9	1,179,962	-	5,834,185	1
Long-term finance lease receivables, net	4, 6(20), 6(21)	-	-	727,892	-
Other non-current assets-others	9	4,582,424	1	12,264,954	2
Total non-current assets		<u>469,793,409</u>	<u>72</u>	<u>442,623,296</u>	<u>79</u>
Total assets		<u>\$ 649,570,217</u>	<u>100</u>	<u>\$ 559,915,562</u>	<u>100</u>

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

MEDIATEK INC.

PARENT COMPANY ONLY 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					
Financial liabilities at fair value through profit or loss-current	4, 5, 6(2)	\$ -	-	\$ 301,272	-
Contract liabilities-current	4, 5, 6(19), 7	4,019,704	1	3,225,795	1
Trade payables		23,244,485	4	24,113,488	4
Trade payables to related parties	7	1,805,816	-	1,470,994	-
Other payables	6(13)	90,405,096	14	76,542,380	14
Other payables to related parties	7	2,147,167	-	21,151,965	4
Current tax liabilities	4, 5, 6(28)	2,624,279	-	8,740,833	1
Lease liabilities-current	4, 6(21)	281,600	-	255,038	-
Current portion of long-term liabilities		5,106,282	1	3,701,876	1
Other current liabilities	4, 5, 6(14), 7	41,742,160	6	35,480,009	6
Total current liabilities		171,376,589	26	174,983,650	31
Non-current liabilities					
Long-term payables		1,742,737	-	2,892,890	1
Long-term payables to related parties	7	68,485,120	12	-	-
Net defined benefit liabilities-noncurrent	4, 6(15)	426,982	-	485,127	-
Deposits received	7	56,359	-	56,677	-
Deferred tax liabilities	4, 5, 6(28)	8,056,080	1	6,225,407	1
Lease liabilities-noncurrent	4, 6(21)	1,944,099	-	2,101,208	-
Other non-current liabilities-others	4, 6(16), 9	855,174	-	4,964,821	1
Total non-current liabilities		81,566,551	13	16,726,130	3
Total liabilities		252,943,140	39	191,709,780	34
Equity					
Share capital	6(17)				
Common stock		16,016,880	2	15,996,475	3
Capital surplus	6(17), 6(18)	31,636,053	5	28,350,438	5
Retained earnings	6(17)				
Legal reserve		89,308,524	14	75,782,948	14
Undistributed earnings		210,598,743	32	212,669,736	38
Other equity	6(18)	49,122,847	8	35,462,155	6
Treasury shares	4, 6(17)	(55,970)	-	(55,970)	-
Total equity		396,627,077	61	368,205,782	66
Total liabilities and equity		\$ 649,570,217	100	\$ 559,915,562	100

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

MEDIATEK INC.

PARENT COMPANY ONLY 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(19), 7	\$ 280,438,884	100	\$ 268,685,527	100
Operating costs	4, 5, 6(7), 6(22), 7	(130,183,997)	(46)	(131,565,573)	(49)
Gross profit		150,254,887	54	137,119,954	51
Unrealized gross profit on sales		(371,226)	-	(207,605)	-
Realized gross profit on sales		211,658	-	189,921	-
Gross profit, net		150,095,319	54	137,102,270	51
Operating expenses	6(20), 6(21), 6(22), 7				
Selling expenses		(9,510,994)	(3)	(9,013,919)	(3)
Administrative expenses		(6,561,734)	(2)	(5,135,942)	(2)
Research and development expenses		(101,953,456)	(37)	(80,592,743)	(30)
Expected credit impairment gains (losses)		56,125	-	(56,293)	-
Total operating expenses		(117,970,059)	(42)	(94,798,897)	(35)
Operating income		32,125,260	12	42,303,373	16
Non-operating income and expenses					
Interest income	4, 6(23)	2,874,889	1	966,082	-
Other income	4, 6(24), 7	350,857	-	312,893	-
Other gains and losses	4, 6(25)	1,698,360	1	790,848	-
Finance costs	6(26), 7	(154,822)	-	(172,510)	-
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	4	73,749,010	26	39,455,194	15
Total non-operating income and expenses		78,518,294	28	41,352,507	15
Net income before income tax		110,643,554	40	83,655,880	31
Income tax expense	4, 5, 6(28)	(4,256,976)	(2)	(6,677,243)	(2)
Net income		106,386,578	38	76,978,637	29
Other comprehensive income	4, 6(9), 6(15), 6(27), 6(28)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of the defined benefit plan		57,171	-	118,934	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(110,215)	-	(327,518)	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method which may not be reclassified to profit or loss		(1,788,803)	(1)	8,283,361	3
Income tax relating to those items not to be reclassified to profit or loss		(11,434)	-	(23,787)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		17,005,504	5	(1,251,022)	(1)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		104	-	164	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method which may be reclassified to profit or loss		16,700	-	3,068	-
Other comprehensive income, net of tax		15,169,027	4	6,803,200	2
Total comprehensive income		\$ 121,555,605	42	\$ 83,781,837	31
Basic Earnings Per Share (in New Taiwan Dollars)	6(29)	\$ 66.92		\$ 48.51	
Diluted Earnings Per Share (in New Taiwan Dollars)	6(29)	\$ 66.78		\$ 48.34	

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

English Translation of Financial Statements Originally Issued in Chinese
MEDIATEK INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2024 and 2023
(Amounts in thousands of New Taiwan Dollars)

Description	Share capital		Capital surplus	Retained earnings		Other equity			Treasury shares	Total equity
	Common stock	Capital collected in advance		Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others		
Balance as of January 1, 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
Distribution of earnings:										
Legal reserve	-	-	-	13,724,450	(13,724,450)	-	-	-	-	-
Cash dividends	-	-	-	-	(138,529,355)	-	-	-	-	(138,529,355)
Total	-	-	-	13,724,450	(152,253,805)	-	-	-	-	(138,529,355)
Cash dividends distributed from capital surplus	-	-	(22,395,132)	-	-	-	-	-	-	(22,395,132)
Profit for the year ended December 31, 2023	-	-	-	-	76,978,637	-	-	-	-	76,978,637
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	106,934	(1,251,022)	7,947,288	-	-	6,803,200
Total comprehensive income	-	-	-	-	77,085,571	(1,251,022)	7,947,288	-	-	83,781,837
Share-based payment transactions	2,273	(113)	81,354	-	-	-	-	-	-	83,514
Adjustments due to dividends that subsidiaries received from parent company	-	-	592,402	-	-	-	-	-	-	592,402
Changes in associates and joint ventures accounted for using the equity method	-	-	32,879	-	-	-	-	-	-	32,879
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	-	(2,356,639)	-	-	-	-	-	-	(2,356,639)
Changes in ownership interests in subsidiaries	-	-	5,061,315	-	-	-	-	-	-	5,061,315
Issuance of restricted stock for employees	(151)	-	107,552	-	9,537	-	-	1,667,307	-	1,784,245
Changes in other capital surplus	-	-	41,426	-	-	-	-	-	-	41,426
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	1,139,758	-	(1,139,758)	-	-	-
Balance as of December 31, 2023	15,996,475	-	28,350,438	75,782,948	212,669,736	6,108,654	29,887,085	(533,584)	(55,970)	368,205,782
Distribution of earnings:										
Legal reserve	-	-	-	13,525,576	(13,525,576)	-	-	-	-	-
Cash dividends	-	-	-	-	(95,077,504)	-	-	-	-	(95,077,504)
Total	-	-	-	13,525,576	(108,603,080)	-	-	-	-	(95,077,504)
Profit for the year ended December 31, 2024	-	-	-	-	106,386,578	-	-	-	-	106,386,578
Other comprehensive income for the year ended December 31, 2024	-	-	-	-	68,416	17,005,504	(1,904,893)	-	-	15,169,027
Total comprehensive income	-	-	-	-	106,454,994	17,005,504	(1,904,893)	-	-	121,555,605
Adjustments due to dividends that subsidiaries received from parent company	-	-	428,674	-	-	-	-	-	-	428,674
Changes in associates and joint ventures accounted for using the equity method	-	-	327,309	-	-	-	-	-	-	327,309
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)
Changes in ownership interests in subsidiaries	-	-	112,798	-	-	-	-	-	-	112,798
Issuance of restricted stock for employees	20,405	-	2,585,863	-	22,840	-	-	(1,385,666)	-	1,243,442
Changes in other capital surplus	-	-	8,838	-	-	-	-	-	-	8,838
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	54,253	-	(54,253)	-	-	-
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

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

MEDIATEK INC.

PARENT COMPANY ONLY 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	\$ 110,643,554	\$ 83,655,880
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation expenses	7,912,612	6,683,855
Amortization expenses	5,270,237	4,456,803
Expected credit impairment (gains) losses	(56,125)	56,293
Net (gains) losses on financial assets or liabilities at fair value through profit or loss	(623,993)	118,593
Interest expenses	154,822	172,510
Net gains arising from derecognition of financial assets measured at amortized cost	(32,397)	-
Interest income	(2,874,889)	(966,082)
Dividend income	(133,709)	(117,011)
Share-based payment expenses	970,196	1,430,641
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(73,749,010)	(39,455,194)
Gains on disposal of property, plant and equipment	(6,966)	(3,440)
Gains on disposal of investments accounted for using the equity method	(871,693)	-
Unrealized gross profit (loss) on sales	207,718	(724)
Realized gross profit on sales	(211,658)	(189,921)
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	1,614,478	1,177,029
Trade receivables	12,895,509	(8,397,655)
Trade receivables from related parties	(109,779)	(21,303)
Other receivables	1,504,832	987,563
Other receivables from related parties	(214,780)	95,313
Inventories	(2,534,850)	14,329,905
Prepayments	40,593	82,927
Other current assets	(739,516)	311,506
Other non-current assets-others	3,311,405	-
Contract liabilities	793,909	1,103,566
Trade payables	(869,003)	12,045,141
Trade payables to related parties	334,822	84,887
Other payables	6,799,963	1,278,930
Other payables to related parties	980,752	311,167
Other current liabilities	6,262,151	9,990,101
Net defined benefit liabilities	(974)	(3,119)
Other non-current liabilities-others	(3,230,481)	4,079,654
Cash inflows generated from operations:	73,437,730	93,297,815
Interest received	1,791,202	992,019
Dividends received	29,555,106	55,034,008
Interest paid	(154,822)	(172,510)
Income tax paid	(8,024,133)	(2,007,582)
Net cash flows from operating activities	96,605,083	147,143,750
Cash flows from investing activities :		
Acquisition of financial assets at fair value through other comprehensive income	(77,504)	-
Proceeds from disposal of financial assets at fair value through other comprehensive income	868,461	7,827
Acquisition of financial assets measured at amortized cost	(536)	(710,091)
Proceeds from repayments of financial assets measured at amortized cost	391,882	20,000
Acquisition of investments accounted for using the equity method	(2,231,441)	-
Proceeds from disposal of investments accounted for using the equity method	25,000	-
Acquisition of property, plant and equipment	(10,207,411)	(4,849,045)
Proceeds from disposal of property, plant and equipment	7,051	4,191
Decrease in refundable deposits	300,221	804,239
Acquisition of intangible assets	(5,493,966)	(4,943,961)
Decrease in finance lease receivables	727,892	-
Net cash flows used in investing activities	(15,690,351)	(9,666,840)
Cash flows from financing activities :		
Repayment of long-term borrowings	-	(827,660)
(Decrease) increase in deposits received	(318)	368
Other payables to related parties	48,499,570	10,710,838
Payment of lease liabilities	(303,548)	(329,658)
Exercise of employee stock options	-	79,477
Cash dividends paid	(87,979,466)	(121,573,573)
Other financing activities	35,374	21,093
Net cash flows used in financing activities	(39,748,388)	(111,919,115)
Net increase in cash and cash equivalents	41,166,344	25,557,795
Cash and cash equivalents at the beginning of the year	47,975,519	22,417,724
Cash and cash equivalents at the end of the year	\$ 89,141,863	\$ 47,975,519

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

MEDIATEK INC.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

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

1. Organization and Operation

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

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

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

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.

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

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

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

4. Summary of Material Accounting Policies

Statement of Compliance

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

Basis of Preparation

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

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

Foreign currency transactions

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

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- (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 rate prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. On the partial disposal of foreign operations that result in a loss of control, loss of significant influence or joint control but retain partial equity is considered a disposal.

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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 asset or financial liability.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(1) Financial instruments: Recognition and Measurement

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

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

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

a. Financial assets measured at amortized cost

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

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

(2) Impairment of financial assets

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The loss allowance is measured as follows:

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(4) Financial liabilities and equity

A. Classification between liabilities or equity

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

B. Equity instruments

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

C. Financial liabilities

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

a. Financial liabilities at fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

b. Financial liabilities at amortized cost

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

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

c. Derecognition of financial liabilities

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

(5) Offsetting of financial instruments

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

Derivative instrument

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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	3-5 years
Computer and telecommunication equipment	3-5 years
Testing equipment	3-5 years
Miscellaneous equipment	2-5 years

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

Leases

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

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

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Intangible assets

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

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

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

<u>Trademarks</u>	<u>Patents</u>	<u>Software</u>	<u>IPs and others</u>
6 years	2-7 years	2-5 years	2-7 years

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Impairment of non-financial assets

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

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

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

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

Treasury shares

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Provisions

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

Sales 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

Rendering of services

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

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

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

Silicon intellectual property license

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Post-employment benefits

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

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

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

- A. the date of the plan amendment or curtailment; 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

Income taxes

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

A. Current income tax

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

B. Deferred tax

Deferred tax is provided on temporary differences 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

5. Significant Accounting Judgments, Estimates and Assumptions

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

Estimates and assumptions

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

A. Fair value of Level 3 financial instruments

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

B. Valuation of inventory - estimation of obsolescence provision

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

C. Income tax

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

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

D. Revenue recognition - sales 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. (14) for more details.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2024	December 31, 2023
Checking and savings accounts	\$ 1,149,005	\$ 1,532,441
Time deposits	87,992,858	41,443,078
Repurchase agreements	-	5,000,000
Total	<u>\$ 89,141,863</u>	<u>\$ 47,975,519</u>

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

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

	December 31, 2024	December 31, 2023
<u>Current</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Funds	\$ 1,052,502	\$ 1,910,145
Linked deposits	497,340	520,375
Forward exchange contracts	265,406	-
Total	<u>\$ 1,815,248</u>	<u>\$ 2,430,520</u>
<u>Held for trading financial liabilities</u>		
Forward exchange contracts	<u>\$ -</u>	<u>\$ 301,272</u>
<u>Noncurrent</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Stocks	\$ 33,500	\$ 120,330
Linked deposits	-	588,142
Total	<u>\$ 33,500</u>	<u>\$ 708,472</u>

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(3) Financial assets at fair value through other comprehensive income**

	December 31, 2024	December 31, 2023
<u>Noncurrent</u>		
<u>Debt instrument investments measured at fair value through other comprehensive income</u>		
Bonds	\$ 201,216	\$ 201,113
<u>Equity instrument investments measured at fair value through other comprehensive income</u>		
Listed company stocks	3,162,749	2,853,482
Funds	2,627,947	3,836,590
Unlisted company stocks	4,385	1,180
Subtotal	5,795,081	6,691,252
Total	\$ 5,996,297	\$ 6,892,365

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	\$ 133,709	\$ 117,011

(4) Financial assets measured at amortized cost

	December 31, 2024	December 31, 2023
<u>Current</u>		
Bonds	\$ 199,487	\$ 361,079

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

	December 31, 2024	December 31, 2023
<u>Noncurrent</u>		
Bonds	\$ 2,050,544	\$ 2,251,040
Time deposits	112,579	112,043
Total	<u>\$ 2,163,123</u>	<u>\$ 2,363,083</u>

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

(5) Trade receivables and trade receivables from related parties

	December 31, 2024	December 31, 2023
Trade receivables	\$ 20,516,765	\$ 33,412,274
Less: loss allowance	(1,808)	(57,933)
Subtotal	<u>20,514,957</u>	<u>33,354,341</u>
Trade receivables from related parties	639,358	529,579
Less: loss allowance	-	-
Subtotal	<u>639,358</u>	<u>529,579</u>
Total	<u>\$ 21,154,315</u>	<u>\$ 33,883,920</u>

Trade receivables are generally on 45 to 60-day terms. Please refer to Note 6. (20) 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\$653,192 thousand and NT\$1,186,678 thousand as of December 31, 2024 and 2023, respectively.

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

	December 31, 2024	December 31, 2023
Factoring receivables	\$ 1,315,686	\$ 1,426,120
Others	2,736,620	1,495,298
Total	<u>\$ 4,052,306</u>	<u>\$ 2,921,418</u>

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

	Interest	Trade	Cash		
The Factor	Rate	receivables	withdrawn	Unutilized	Credit line
(Transferee)	(%)	derecognized	(US\$'000)	(US\$'000)	(US\$'000)
		(US\$'000)			
Taishin					
International Bank	-	\$ 30,381	\$ -	\$ 30,381	\$ 164,000
BNP Paribas	-	7,291	-	7,291	105,000
CHB	-	388	-	388	1,200
CTBC	-	-	-	-	300
SinoPac	-	2,092	-	2,092	10,000
Total		<u>\$ 40,152</u>	<u>\$ -</u>	<u>\$ 40,152</u>	<u>\$ 280,500</u>

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

B. As of December 31, 2023:

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

(7) Inventories

	December 31, 2024	December 31, 2023
Raw materials	\$ 566,052	\$ 1,671,403
Work in progress	18,004,851	16,702,037
Finished goods	9,042,716	6,705,329
Net amount	\$ 27,613,619	\$ 25,078,769

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	\$ 2,797,048	\$ 13,769,854

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(8) Prepayments**

	December 31, 2024	December 31, 2023
Prepaid expenses	\$ 502,174	\$ 438,219
Others	7,363,265	2,317,053
Total	<u>\$ 7,865,439</u>	<u>\$ 2,755,272</u>

(9) Investments accounted for using the equity method

Investees	December 31, 2024		December 31, 2023	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Subsidiaries:				
MediaTek Investment				
Singapore Pte. Ltd.	\$ 219,557,269	100	\$ 224,563,433	100
Hsu-Ta Investment Corp.	-	-	7,899,208	100
MediaTek Singapore Pte. Ltd.	83,579,643	100	43,041,504	100
MStar Co., Ltd.	156,793	100	145,348	100
HFI Innovation Inc.	2,262,407	100	1,630,852	100
Spidcom Technologies	-	100	-	100
Richtek Technology Corp.	16,639,678	100	16,715,876	100
Airoha Technology Corp.	13,518,376	66	12,166,800	67
MediaTek Capital Co.	9,415,520	100	708,830	100
Hsu-Yuan Investment Corp.	2,451,311	100	442,271	100
MediaTek Research UK				
Limited	52,227	100	39,430	100
MediaTek Bangalore Private				
Limited	1,275,673	100	994,720	100
MediaTek Japan Inc.	44,655	100	-	-
MediaTek Korea Inc.	201,178	100	-	-
IC PLUS Corp.	1,136,933	14	-	-
Subtotal	<u>350,291,663</u>		<u>308,348,272</u>	

(To be continued)

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Investees	December 31, 2024		December 31, 2023	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
IC PLUS Corp.	-	-	292,963	19
Intellectual Property				
Innovation Corp.	-	-	30,966	30
Subtotal	-		323,929	
Total	<u>\$ 350,291,663</u>		<u>\$ 308,672,201</u>	

Hsu-Ta Investment Corp. was dissolved due to merger into MediaTek Capital Co. on October 2024.

Airoha Technology Corp. increased capital by cash in the first half year of 2024 and October 2023, respectively. The Company did not subscribe to the new shares proportionate to its original ownership interest that resulted in a change in ownership interest. After all the changes mentioned above, the Company's ownership of Airoha Technology Corp. became 66%.

The Company increased its investment in MediaTek Japan Inc. by cash in the amount of NT\$38,558 thousand in July 2024.

The Company increased its investment in MediaTek Korea Inc. by cash in the amount of NT\$192,883 thousand in September 2024.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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. since July 1, 2024. Accordingly, IC PLUS Corp. was no longer an associate since that day.

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.

(10) Property, plant and equipment

	December 31, 2024	December 31, 2023
Owner-occupied property, plant and equipment	<u>\$ 33,511,820</u>	<u>\$ 30,714,741</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunication equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2024	\$ 7,348,942	\$ 16,287,249	\$ 156,083	\$ 12,098,826	\$ 14,760,014	\$ 6,730,509	\$ 50,940	\$ 57,432,563
Additions-acquired separately	-	9,197	1,363,802	1,023,286	2,872,575	4,508,808	596,285	10,373,953
Disposals	-	(818)	-	(426,602)	(470,323)	(164)	-	(897,907)
Transfers	-	-	-	125	35,584	-	(35,709)	-
As of December 31, 2024	7,348,942	16,295,628	1,519,885	12,695,635	17,197,850	11,239,153	611,516	66,908,609
Depreciation and impairment:								
As of January 1, 2024	-	5,130,947	96,142	8,601,294	8,935,242	3,954,197	-	26,717,822
Depreciation	-	464,319	247,374	2,041,046	1,916,027	2,908,023	-	7,576,789
Disposals	-	(818)	-	(426,602)	(470,238)	(164)	-	(897,822)
Transfers	-	-	-	57	(57)	-	-	-
As of December 31, 2024	-	5,594,448	343,516	10,215,795	10,380,974	6,862,056	-	33,396,789
Net carrying amount as of:								
December 31, 2024	\$ 7,348,942	\$ 10,701,180	\$ 1,176,369	\$ 2,479,840	\$ 6,816,876	\$ 4,377,097	\$ 611,516	\$ 33,511,820

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

	Land	Buildings and facilities	Machinery equipment	Computer and telecommunication equipment	Testing equipment	Miscellaneous equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2023	\$ 7,348,942	\$ 16,390,378	\$ 152,331	\$ 11,620,360	\$ 13,330,119	\$ 4,451,846	\$ 55,220	\$ 53,349,196
Additions-acquired								
separately	-	162,842	3,752	602,988	1,768,179	2,294,196	50,940	4,882,897
Disposals	-	(270,556)	-	(124,522)	(388,919)	(15,533)	-	(799,530)
Transfers	-	4,585	-	-	50,635	-	(55,220)	-
As of December 31, 2023	7,348,942	16,287,249	156,083	12,098,826	14,760,014	6,730,509	50,940	57,432,563
Depreciation and impairment:								
As of January 1, 2023	-	4,943,740	71,833	6,572,979	7,717,244	1,845,692	-	21,151,488
Depreciation	-	457,561	24,309	2,152,475	1,606,730	2,124,038	-	6,365,113
Disposals	-	(270,354)	-	(124,160)	(388,732)	(15,533)	-	(798,779)
As of December 31, 2023	-	5,130,947	96,142	8,601,294	8,935,242	3,954,197	-	26,717,822
Net carrying amount as of:								
December 31, 2023	\$ 7,348,942	\$ 11,156,302	\$ 59,941	\$ 3,497,532	\$ 5,824,772	\$ 2,776,312	\$ 50,940	\$ 30,714,741

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(11) Intangible assets

	Software	Patents, IPs and others	Goodwill	Total
Cost:				
As of January 1, 2024	\$ 441,605	\$ 15,995,409	\$ 52,604,453	\$ 69,041,467
Additions-acquired separately	244,779	4,422,447	-	4,667,226
Disposals	(162,024)	(2,555,697)	-	(2,717,721)
As of December 31, 2024	524,360	17,862,159	52,604,453	70,990,972
Amortization and impairment:				
As of January 1, 2024	223,374	6,727,234	-	6,950,608
Amortization	228,272	5,041,965	-	5,270,237
Disposals	(162,024)	(2,555,697)	-	(2,717,721)
As of December 31, 2024	289,622	9,213,502	-	9,503,124
Net carrying amount as of:				
December 31, 2024	\$ 234,738	\$ 8,648,657	\$ 52,604,453	\$ 61,487,848

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

	Software	Patents, IPs and others	Goodwill	Total
Cost:				
As of January 1, 2023	\$ 402,581	\$ 12,259,833	\$ 52,604,453	\$ 65,266,867
Additions-acquired separately	231,975	9,310,267	-	9,542,242
Disposals	(192,951)	(5,574,691)	-	(5,767,642)
As of December 31, 2023	441,605	15,995,409	52,604,453	69,041,467
Amortization and impairment:				
As of January 1, 2023	223,653	8,037,794	-	8,261,447
Amortization	192,672	4,264,131	-	4,456,803
Disposals	(192,951)	(5,574,691)	-	(5,767,642)
As of December 31, 2023	223,374	6,727,234	-	6,950,608
Net carrying amount as of:				
December 31, 2023	\$ 218,231	\$ 9,268,175	\$ 52,604,453	\$ 62,090,859

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(12) Impairment testing of goodwill

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

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

Key assumptions used in value-in-use calculations

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

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Sensitivity to changes in assumptions

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

(13) Other payables

	December 31, 2024	December 31, 2023
Accrued salaries and bonuses	\$ 27,708,068	\$ 23,581,098
Accrued royalties	1,426,713	1,995,110
Dividends payable	46,448,952	39,350,914
Others	14,821,363	11,615,258
Total	<u>\$ 90,405,096</u>	<u>\$ 76,542,380</u>

(14) Other current liabilities

	December 31, 2024	December 31, 2023
Refund liabilities (Note)	\$ 40,863,905	\$ 34,733,675
Others	878,255	746,334
Total	<u>\$ 41,742,160</u>	<u>\$ 35,480,009</u>

Note: Refund liabilities represented the Company's estimated sales allowances and returns based on past experience and other known factors.

(15) Post-employment benefits plans

Defined contribution plan

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

Pension expenses under the defined contribution plan for the years ended December 31, 2024 and 2023 were NT\$1,119,803 thousand and NT\$1,103,384 thousand, respectively.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Defined benefits plan

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

The funds are operated and managed by the government's designated authorities. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with IAS 19. The Company expects to contribute NT\$8,443 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 13 years and 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	\$ 1,212	\$ 1,361
Net interest on the net defined benefit liabilities	6,258	8,561
Total	<u>\$ 7,470</u>	<u>\$ 9,922</u>

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

	December 31, 2024	December 31, 2023
Defined benefit obligation	\$ 646,096	\$ 681,351
Plan assets at fair value	(219,114)	(196,224)
Net defined benefit liabilities	<u>\$ 426,982</u>	<u>\$ 485,127</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Reconciliations of liabilities of the defined benefit plan were as follows:

	Defined benefit obligation	Plan assets at fair value	Net defined benefit liabilities
As of January 1, 2024	\$ 681,351	\$ (196,224)	\$ 485,127
Current service cost	1,212	-	1,212
Interest expenses (income)	8,789	(2,531)	6,258
Subtotal	10,001	(2,531)	7,470
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in demographic assumptions	6,918	-	6,918
Actuarial gains and losses arising from changes in financial assumptions	(24,097)	-	(24,097)
Experience adjustments	(23,030)	-	(23,030)
Remeasurements of the defined benefit assets	-	(16,962)	(16,962)
Subtotal	(40,209)	(16,962)	(57,171)
Payment of benefit obligation	(5,047)	5,047	-
Contributions by employer	-	(8,444)	(8,444)
As of December 31, 2024	\$ 646,096	\$ (219,114)	\$ 426,982

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

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

The principal assumptions used in determining the Company's defined benefit plan were as below:

	December 31, 2024	December 31, 2023
Discount rate	1.56%	1.29%
Expected rate of salary increases	2.00%	2.00%

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

Sensitivity analysis for significant assumptions 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%	\$ -	\$ (35,394)	\$ -	\$ (45,494)
Discount rate decreases by 0.5%	45,887	-	51,701	-
Rate of future salary increases by 0.5%	45,450	-	51,065	-
Rate of future salary decreases by 0.5%	-	(35,414)	-	(45,410)

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.

(16) Other non-current liabilities

	December 31, 2024	December 31, 2023
Provisions	\$ -	\$ 4,183,904
Others	855,174	780,917
Total	<u>\$ 855,174</u>	<u>\$ 4,964,821</u>

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(17) Equity

A. Share capital

The Company'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. The Company'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.

The Company 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.

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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
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	<u>\$ 31,636,053</u>	<u>\$ 28,350,438</u>

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 the Company'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, 2024 and 2023, the Company did not hold any other treasury shares.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

D. Retained earnings and dividend policy

According to the Company's 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 fiscal year. The Board of Directors shall prepare relevant proposals per applicable laws and regulations and the procedures and principles specified in the Articles of Incorporation and report such proposals to the shareholders' meeting or submit the same to the shareholders' meeting for review and approval by a resolution.

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

Based on the authorization from the Articles of Incorporation as mentioned above, 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, the Company 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 the Company. When the Company incurs no loss, it may distribute the portion of legal reserve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares held by each of the shareholders.

Pursuant to existing regulations, the Company 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

(18) Share-based payment plans

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

Employee stock option plans

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

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

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 were 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\$)	\$ -	-

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Note: The weighted average share price at the date of exercise of those options was NT\$704 for the year ended December 31, 2023.

The information on the outstanding share-based payment plans was as follows:

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

Restricted stock plan for employees

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

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

The fair value of the restricted stocks issued was NT\$824.81-NT\$901, NT\$1,024.8-NT\$1,120, NT\$610.31-NT\$667 and NT\$681.68-NT\$745 per share, respectively. The estimated compensation expenses amounted to NT\$7,529,997 thousand in total based on the vesting conditions. As of December 31, 2024, the compensation expense was all recorded under salary expense and share of profit of subsidiaries, associates and joint ventures accounted for using the equity method.

On May 27, 2024, the shareholders' meeting approved to issue gratuitous restricted stocks for employees, at a total of 24,000,000 common shares. The Company shall set up the actual issuance date(s) in one tranche or in installments within one year from the date of receipt of the effective registration of the competent authority.

The Company issued 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, the Company 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, share of profit of subsidiaries, associates and joint ventures accounted for using the equity method and other equity, respectively.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The aforementioned restricted stock plans for employees were evaluated under the fair value method. Assumptions used in calculating the fair value were 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 stock for employees under the 2024 plan are as follows:

- A. To issue common shares of the Company with gratuitous issue price.
- B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, 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 compensation expenses recognized for the years ended December 31, 2024 and 2023 were shown in the following table:

	For the years ended December 31	
	2024	2023
Restricted stocks for employees	\$ 970,196	\$ 1,430,641

The Company did not modify or cancel any share-based payment plans for the years ended December 31, 2024 and 2023.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(19) 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	\$ 269,578,696	\$ 258,217,320
Services and other operating revenue	10,860,188	10,468,207
Total	<u>\$ 280,438,884</u>	<u>\$ 268,685,527</u>
Revenue recognition point:		
At a point in time	\$ 275,568,978	\$ 262,473,904
Satisfies the performance obligation over time	4,869,906	6,211,623
Total	<u>\$ 280,438,884</u>	<u>\$ 268,685,527</u>

B. Contract balances

Contract liabilities – current

	December 31, 2024	December 31, 2023	January 1, 2023
Sales of goods	\$ 892,826	\$ 1,464,686	\$ 1,264,699
Services and other operating revenue	3,126,878	1,761,109	857,530
Total	<u>\$ 4,019,704</u>	<u>\$ 3,225,795</u>	<u>\$ 2,122,229</u>

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	<u>\$ 2,175,544</u>	<u>\$ 1,430,722</u>
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	<u>\$ 2,969,446</u>	<u>\$ 2,534,078</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

C. Transaction price allocated to unsatisfied performance obligations

As of December 31, 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.

(20) Expected credit losses

	For the years ended December 31	
	2024	2023
Impairment gains (losses)		
Trade receivables	\$ 56,125	\$ (56,293)

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

The Company measures the loss allowance of its receivables (including trade receivables and trade receivables from related parties) and 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 (Note)	Past due				Total
		Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 19,413,008	\$ 874,893	\$ 158,602	\$ 70,057	\$ 205	\$ 20,516,765
Loss ratio	0%	0%	0%	10%	50%	
Lifetime expected credit losses	-	-	-	(1,706)	(102)	(1,808)
Carrying amount of trade receivables	\$ 19,413,008	\$ 874,893	\$ 158,602	\$ 68,351	\$ 103	\$ 20,514,957

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

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

Note: Neither the Company's 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:

	Trade receivables (including related parties)	Financing lease receivables
As of January 1, 2024	\$ 57,933	\$ -
Allowance for the current period	(56,125)	-
As of December 31, 2024	<u>\$ 1,808</u>	<u>\$ -</u>
As of January 1, 2023	\$ 1,640	\$ -
Allowance for the current period	56,293	-
As of December 31, 2023	<u>\$ 57,933</u>	<u>\$ -</u>

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

a. Right-of-use asset

	December 31, 2024	December 31, 2023
Land	\$ 1,662,230	\$ 1,702,732
Buildings and facilities	367,714	516,532
Machinery equipment	133,015	104,406
Transportation equipment	145	2,256
Total	<u>\$ 2,163,104</u>	<u>\$ 2,325,926</u>

During the years ended December 31, 2024 and 2023, the additions to right-of-use assets of the Company amounted to NT\$173,001 thousand and NT\$288,889 thousand, respectively.

b. Lease liability

	December 31, 2024	December 31, 2023
Lease liability-current	\$ 281,600	\$ 255,038
Lease liability-noncurrent	1,944,099	2,101,208
Total	<u>\$ 2,225,699</u>	<u>\$ 2,356,246</u>

Please refer to Note 6. (26) for the interest on lease liability recognized during the years ended December 31, 2024 and 2023 and Note 12. (3) C. for the maturity analysis of lease liabilities.

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2024	2023
Land	\$ 44,538	\$ 44,460
Buildings and facilities	176,021	175,513
Machinery equipment	113,153	96,163
Transportation equipment	2,111	2,606
Total	<u>\$ 335,823</u>	<u>\$ 318,742</u>

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

d. Income and costs relating to leasing activities

	For the years ended December 31	
	2024	2023
The expense relating to short-term leases	\$ 27,313	\$ 46,324
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	\$ 3,221	\$ 4,616
Income from subleasing right-of-use assets	\$ 23,536	\$ 23,526

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\$369,247 thousand and NT\$410,969 thousand, respectively.

B. The Company as a lessor

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	\$ 84,522	\$ 93,782
Lease income from finance leases		
Finance income on the net investment in the lease	18,961	23,293
Total	\$ 103,483	\$ 117,075

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

The undiscounted lease payments to be received for the remaining years as of December 31, 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

(22) Employee benefits, depreciation and amortization expenses are summarized by function:

	For the years ended December 31					
	2024			2023		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	\$ 35,216	\$ 1,092,057	\$ 1,127,273	\$ 34,624	\$ 1,078,682	\$ 1,113,306
Others	\$ 994,760	\$ 58,979,194	\$ 59,973,954	\$ 892,719	\$ 49,441,562	\$ 50,334,281
Depreciation	\$ 336,239	\$ 7,576,373	\$ 7,912,612	\$ 43,502	\$ 6,640,353	\$ 6,683,855
Amortization	\$ 7,257	\$ 5,262,980	\$ 5,270,237	\$ 777	\$ 4,456,026	\$ 4,456,803

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

According to the Articles of Incorporation of the Company, no 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 the Company's accumulated losses shall have been covered in advance. The Company may distribute the profit as employees' compensation in the form of shares or cash.

The Company 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, the Company 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.

(23) Interest income

	For the years ended December 31	
	2024	2023
Financial assets measured at amortized cost	\$ 2,795,928	\$ 885,116
Financial assets at fair value through other comprehensive income	78,961	80,966
Total	\$ 2,874,889	\$ 966,082

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(24) Other income

	For the years ended December 31	
	2024	2023
Rental income	\$ 84,522	\$ 93,782
Dividend income	133,709	117,011
Others	132,626	102,100
Total	<u>\$ 350,857</u>	<u>\$ 312,893</u>

(25) Other gains and losses

	For the years ended December 31	
	2024	2023
Gains on disposal of property, plant and equipment	\$ 6,966	\$ 3,440
Gains on disposal of investments		
Investments accounted for using the equity method	871,693	-
Financial assets measured at amortized cost	32,397	-
Foreign exchange (losses) gains	(1,592,762)	632,142
Net gains on financial instruments at fair value through profit or loss	2,386,991	149,727
Others	(6,925)	5,539
Total	<u>\$ 1,698,360</u>	<u>\$ 790,848</u>

(26) Finance costs

	For the years ended December 31	
	2024	2023
Interest expenses on borrowings	\$ 119,657	\$ 142,139
Interest expenses on lease liabilities	35,165	30,371
Total	<u>\$ 154,822</u>	<u>\$ 172,510</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(27) 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	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 57,171	\$ -	\$ 57,171	\$ (11,434)	\$ 45,737
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(110,215)	-	(110,215)	-	(110,215)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(1,788,803)	-	(1,788,803)	-	(1,788,803)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	17,005,504	-	17,005,504	-	17,005,504
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	104	-	104	-	104
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	13,784	2,916	16,700	-	16,700
Total	\$ 15,177,545	\$ 2,916	\$ 15,180,461	\$ (11,434)	\$ 15,169,027

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

For the year ended December 31, 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax expense	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 118,934	\$ -	\$ 118,934	\$ (23,787)	\$ 95,147
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(327,518)	-	(327,518)	-	(327,518)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	8,283,361	-	8,283,361	-	8,283,361
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(1,251,022)	-	(1,251,022)	-	(1,251,022)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	164	-	164	-	164
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	602	2,466	3,068	-	3,068
Total	\$ 6,824,521	\$ 2,466	\$ 6,826,987	\$ (23,787)	\$ 6,803,200

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(28) Income tax

The major components of income tax expense were as follows:

	For the years ended December 31	
	2024	2023
Current income tax expense	\$ 688,947	\$ 8,164,594
Deferred tax expense (income)	3,464,189	(1,552,404)
Others	103,840	65,053
Income tax expense recognized in profit or loss	<u>\$ 4,256,976</u>	<u>\$ 6,677,243</u>

Income tax recognized in other comprehensive income

	For the years ended December 31	
	2024	2023
Deferred tax expense:		
Remeasurements of defined benefit plans	<u>\$ 11,434</u>	<u>\$ 23,787</u>

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

	For the years ended December 31	
	2024	2023
Accounting profit before tax from continuing operations	<u>\$ 110,643,554</u>	<u>\$ 83,655,880</u>
Tax at the domestic rates applicable to profits in the country concerned	\$ 22,128,711	\$ 16,731,176
Tax effect of revenue exempt from taxation	(3,094)	(59,522)
Tax effect of expenses not deductible for tax purposes	-	73
Investment tax credits	(2,849,757)	(6,330,170)
Tax effect of deferred tax assets/liabilities	(13,550,665)	(6,741,058)
Corporate income surtax on undistributed retained earnings	-	1,058,087
Others	(1,468,219)	2,018,657
Total income tax expense recognized in profit or loss	<u>\$ 4,256,976</u>	<u>\$ 6,677,243</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

For the year ended December 31, 2024

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized allowance for inventory obsolescence	\$ 2,726,380	\$ (391,587)	\$ -	\$ 2,334,793
Allowance for sales returns and discounts	4,838,674	(492,375)	-	4,346,299
Amortization of difference for tax purpose	669,362	86,765	-	756,127
Amortization of goodwill difference for tax purpose	(4,704,043)	(686,653)	-	(5,390,696)
Others	272,838	(1,980,339)	(11,434)	(1,718,935)
Deferred tax expense		\$ (3,464,189)	\$ (11,434)	
Net deferred tax assets	\$ 3,803,211			\$ 327,588
Reflected in balance sheet as follows:				
Deferred tax assets	\$ 10,028,618			\$ 8,383,668
Deferred tax liabilities	\$ (6,225,407)			\$ (8,056,080)

For the year ended December 31, 2023

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The assessment of income tax returns

As of December 31, 2024, the income tax returns of the Company have been assessed and approved up to 2022.

(29) Earnings per share

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

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

	For the years ended December 31	
	2024	2023
A. Basic earnings per share		
Profit (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
B. Diluted earnings per share		
Profit (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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

7. Related Party Transactions

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

Name and nature of relationship of the related parties

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Gaintech Co. Limited	Subsidiary
MediaTek Singapore Pte. Ltd.	Subsidiary
MediaTek North America Inc.	Subsidiary
MediaTek USA Inc.	Subsidiary
MediaTek Research UK Limited	Subsidiary
Richtek Technology Corp.	Subsidiary
InnoFusion Technology Corp.	Subsidiary
Zelus (Shenzhen) Technology Ltd.	Subsidiary
Airoha Technology (Suzhou) Limited	Subsidiary
HFI Innovation Inc.	Subsidiary
Nephos (Hefei) Co. Ltd.	Subsidiary
MediaTek Research Corp.	Subsidiary
Airoha Technology Corp.	Subsidiary
MediaTek Capital Co.	Subsidiary
Hsu-Yuan Investment Corp.	Subsidiary
MediaTek Technology USA Inc.	Subsidiary
MediaTek Poland sp. z o.o.	Subsidiary
MediaTek Bangalore Private Limited	Subsidiary
MediaTek India Technology Pvt. Ltd.	Subsidiary
MTK Wireless Limited	Subsidiary
MediaTek Investment Singapore Pte. Ltd.	Subsidiary
AMobile Solutions Corp.	Associate
Intelligo Technology Inc. and its subsidiaries	Associate
Sigmastar Technology Ltd. and its subsidiaries	Associate
Intellectual Property Innovation Corp. (Note1)	Associate
IC PLUS Corp. (Note 2)	Associate
King Yuan Electronics Co., Ltd. and its subsidiaries	Substantive related party

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

Note :

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

	For the years ended December 31	
	2024	2023
<u>Sale of goods</u>		
Subsidiaries	\$ 5,043,017	\$ 90,347
Associates	109,678	25,798
Subtotal	5,152,695	116,145
<u>Services and other operating revenue</u>		
Subsidiaries	4,807,200	2,931,913
Associates	1,608	7,612
Subtotal	4,808,808	2,939,525
Total	\$ 9,961,503	\$ 3,055,670

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

(2) Purchases

	For the years ended December 31	
	2024	2023
Subsidiaries	\$ 44,783	\$ 55,598

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

	For the years ended December 31	
	2024	2023
Other related parties	\$ 3,683,560	\$ 3,444,656

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

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

	For the years ended December 31	
	2024	2023
Subsidiaries		
MediaTek USA Inc.	\$ 13,217,836	\$ 10,069,823
MediaTek Bangalore Private Limited	2,887,544	-
Other	3,433,758	1,258,010
Associates	41,307	20,785
Other related parties	-	47
Total	\$ 19,580,445	\$ 11,348,665

- (5) Rental income

	For the years ended December 31	
	2024	2023
Subsidiaries		
Airoha Technology Corp.	\$ 10,681	\$ 19,531
Others	229	304
Associates	906	862
Total	\$ 11,816	\$ 20,697

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(6) Other income from consumables and management services

	For the years ended December 31	
	2024	2023
Subsidiaries	\$ 1,802	\$ 1,687
Associates	30	-
Other related parties	3,928	-
Others	\$ 5,760	\$ 1,687

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

	December 31, 2024		December 31, 2023	
	Endorsement limit	Actual amount	Endorsement limit	Actual amount
Subsidiaries				
Gaintech Co. Limited	\$ 24,000,000	\$ -	\$ 24,000,000	\$ -
MediaTek China Limited	9,000,000	-	9,000,000	-
Total	\$ 33,000,000	\$ -	\$ 33,000,000	\$ -

(8) Trade receivables from related parties

	December 31, 2024	December 31, 2023
Subsidiaries	\$ 637,211	\$ 526,188
Associates	2,147	3,391
Total	\$ 639,358	\$ 529,579

(9) Other receivables from related parties

	December 31, 2024	December 31, 2023
Subsidiaries	\$ 22,475,481	\$ 304,451

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

(10) Contract liabilities-current

	December 31, 2024	December 31, 2023
Associates	\$ -	\$ 145

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(11) Trade payables to related parties

	December 31, 2024	December 31, 2023
Subsidiaries	\$ 696,671	\$ 441,934
Other related parties	1,109,145	1,029,060
Total	<u>\$ 1,805,816</u>	<u>\$ 1,470,994</u>

(12) Other payables to related parties

	December 31, 2024	December 31, 2023
Subsidiaries		
Gaintech Co. Limited	\$ -	\$ 19,985,550
Others	2,129,812	1,163,380
Associates	17,355	3,035
Total	<u>\$ 2,147,167</u>	<u>\$ 21,151,965</u>

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

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

(13) Long-term payables to related parties

	113.12.31	112.12.31
Subsidiaries		
Gaintech Co. Limited	<u>\$ 68,485,120</u>	<u>\$ -</u>

Financing provided to others for the year ended December 31, 2024.

Name of the related parties	Ending Limit	Ending Balance	Total interest for the year	Interest Rate
Gaintech Co. Limited	\$ 81,920,000	\$ 68,485,120	\$ -	-

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(14) Other current liabilities

	December 31, 2024	December 31, 2023
Subsidiaries	\$ 3,160	\$ 1,643

(15) Deposits received

	December 31, 2024	December 31, 2023
Subsidiaries	\$ 571	\$ 3,785
Associates	161	151
Total	\$ 732	\$ 3,936

(16) The Company acquired 7,100 shares of MediaTek Japan Inc. from Gaintech Co. Limited in the amount of NT\$38,558 thousand for the year ended December 31, 2024.

(17) The Company acquired 200,000 shares of MediaTek Korea Inc. from Gaintech Co. Limited in the amount of NT\$192,883 thousand for the year ended December 31, 2024.

(18) 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.

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(19) Key management personnel compensation**

	For the years ended	
	December 31	
	2024	2023
Short-term employee benefits (Note)	\$ 3,137,303	\$ 1,667,806
Share-based payment	239,978	421,126
Post-employment benefits	1,832	6,641
Total	<u>\$ 3,379,113</u>	<u>\$ 2,095,573</u>

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

8. Assets Pledged as Collateral

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

Assets pledged as collateral	Carrying amount		Purpose of pledge
	December 31, 2024	December 31, 2023	
Financial assets measured at amortized cost-noncurrent	\$ 24,000	\$ 27,000	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	88,579	85,043	Land lease guarantee
Total	<u>\$ 112,579</u>	<u>\$ 112,043</u>	

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

The Company entered into capacity reservation contracts with several suppliers. According to the contracts, the 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, 2023, the Company had reversed the provisions and regained refundable deposits in accordance with the amended contracts with certain suppliers.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(2) Legal claim contingency

A. Koninklijke Philips N.V., and Philips North America LLC(“Philips”) filed a complaint in the United States District Court for the District of Delaware against the Company and subsidiary MediaTek USA Inc. on September 17, 2020, alleging infringement of United States Patent Nos. 9,590,977 and 10,298,564. 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 the Company and subsidiary MediaTek USA Inc. on November 10, 2022, alleging infringement of U.S. Patent Nos. 6,049,706, 6,266,518, 7,292,835 and 8,660,513.

ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on May 17, 2023, alleging infringement of U.S. Patent Nos. 7,483,686, 7,865,177 and 9,118,528.

ParkerVision, Inc. filed a complaint in the United States District Court for the Western District of Texas against the Company and subsidiary MediaTek USA Inc. on October 30, 2023, alleging infringement of U.S. Patent Nos. 7,050,508, 7,929,638 and 8,498,593.

C. MOSAID Technologies, Inc. filed a complaint in the United States District Court for the Eastern District of Texas against the Company and subsidiary MediaTek USA Inc. on March 28, 2023, alleging infringement of U.S. Patent Nos. 8,253,438, 8,854,077, 9,350,349, 7,224,563, 7,051,306, 7,945,885 and 7,996,811. Pursuant to the parties’ joint motion to terminate, the court dismissed the case against the Company 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 the Company 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 the Company on April 24, 2024.

E. Realtek Semiconductor Corporation filed a complaint in the United States District Court for the Northern District of California against the Company on June 6, 2023, asserting claims based on alleged unfair competition.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- F. Bell Northern Research, LLC filed a complaint with the U.S. International Trade Commission against the Company and subsidiary MediaTek USA Inc. on June 21, 2023, alleging infringement of U.S. Patent Nos. 8,416,862, 7,564,914 and RE 48,629. Pursuant to the parties' joint motion to terminate, the Committee terminated the case against the Company 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 the Company 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 the Company on June 28, 2024.
- H. LED Apogee LLC filed a complaint in the United States District Court for the Western District of Texas against the Company on January 16, 2024, alleging infringement of U.S. Patent No. 6,982,527. 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 the Company 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 the Company 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 the Company 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 the Company 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 the Company on August 14, 2024, alleging infringement of China Patent Nos. 202210840878.0, 201910468451.0 and 201810774593.5.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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 the Company 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 the Company on August 21, 2024, alleging infringement of China Patent Nos. 201810759037.0 and 202110217137.2.

L. CommWorks Solutions LLC filed a complaint in the United States District Court for the Eastern District of Texas against the Company 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 the Company on December 12, 2024.

M. ServStor Technologies LLC filed a complaint in the United States District Court for the Eastern District of Texas against the Company 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 the Company on February 10, 2025.

Except for cases that were dismissed or terminated (cases C, D, F, G, H, L, M), 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, the Company's Board of Directors approved the proposed sale of assets related to the discrete timing controller("Discrete TCON") owned by the Company and MediaTek Singapore Pte. Ltd., and the related technology in Discrete TCON to be licensed by the Company. The disposal amount is approximately USD 150 million, with estimated gain on disposal of asset of NT\$4,610 million.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

12. Others

(1) Financial instruments

A. Categories of financial instruments

Financial assets

	December 31, 2024	December 31, 2023
Financial assets at fair value through profit or loss:		
Held for trading financial assets	\$ 265,406	\$ -
Mandatorily measured at fair value through profit or loss (Note 1)	2,236,534	4,325,670
Subtotal	2,501,940	4,325,670
Financial assets at fair value through other comprehensive income	5,996,297	6,892,365
Financial assets measured at amortized cost (Note 2)	139,261,275	88,078,576
Total	\$ 147,759,512	\$ 99,296,611

Financial liabilities

	December 31, 2024	December 31, 2023
Financial liabilities at fair value through profit or loss:		
Held for trading financial liabilities	\$ -	\$ 301,272
Financial liabilities at amortized cost:		
Trade payables (including related parties)	25,050,301	25,584,482
Other payables (including related parties)	92,552,263	97,694,345
Long-term payables (including current portion)	75,334,139	6,594,766
Lease liabilities	2,225,699	2,356,246
Subtotal	195,162,402	132,229,839
Total	\$ 195,162,402	\$ 132,531,111

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Notes:

1. Includes trade receivables classified as financial assets measured at fair value through profit or loss in the amount of NT\$653,192 thousand and NT\$1,186,678 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, trade receivables (excluding financial assets measured at fair value through profit or loss of NT\$653,192 thousand and NT\$1,186,678 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 (including related parties), trade payables (including related parties) and other payables (including related parties) approximate their fair value due to their short maturities.
- (b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities and bonds) at the reporting date.
- (c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- (d) The fair value of derivative financial instruments is based on market quotations. For unquoted derivatives that are not options, the fair value is determined based on discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using the option pricing model.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

b. Fair value of financial instruments measured at amortized cost

The carrying amount of 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:

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 2024

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value:</u>				
Financial assets at fair value through profit or loss				
Stocks	\$ 33,500	\$ -	\$ -	\$ 33,500
Funds	1,052,502	-	-	1,052,502
Linked deposits	-	-	497,340	497,340
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	5,790,696	-	4,385	5,795,081
Debt instruments measured at fair value through other comprehensive income	-	-	201,216	201,216
Total	\$ 6,876,698	\$ 265,406	\$ 702,941	\$ 7,845,045

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)**As of December 31, 2023

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

Liabilities measured at fair value:

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

For the years ended December 31, 2024 and 2023, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Link deposits	Stocks	Bonds	Total
As of January 1, 2024	\$ 1,108,517	\$ 1,180	\$ 201,113	\$ 1,310,810
Amount recognized in profit or loss	(1,677)	-	-	(1,677)
Amount recognized in OCI	-	(1,795)	103	(1,692)
Transfer out of level 3	-	5,000	-	
Settlements	(609,500)	-	-	(609,500)
As of December 31, 2024	<u>\$ 497,340</u>	<u>\$ 4,385</u>	<u>\$ 201,216</u>	<u>\$ 702,941</u>

	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income		
	Link deposits	Stocks	Bonds	Total
As of January 1, 2023	\$ 2,087,371	\$ 1,769	\$ 200,949	\$ 2,290,089
Amount recognized in profit or loss	6,146	-	-	6,146
Amount recognized in OCI	-	(589)	164	(425)
Settlements	(985,000)	-	-	(985,000)
As of December 31, 2023	<u>\$ 1,108,517</u>	<u>\$ 1,180</u>	<u>\$ 201,113</u>	<u>\$ 1,310,810</u>

Total gains related to assets recognized for the years ended December 31, 2024 and 2023 amounted to NT\$1,465 thousand and NT\$6,146 thousand, respectively.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

The Company's linked-deposits 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:

None

As of December 31, 2023:

None

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:

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

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

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

(2) Financial risk management objectives and policies

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

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

A. Market risk

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

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

a. Foreign currency risk

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

When NTD appreciates or depreciates against USD by 0.1%, the profit for the years ended December 31, 2024 and 2023 decreases / increases by NT\$108,683 thousand and NT\$24,921 thousand, respectively.

b. Interest rate risk

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

c. Other price risk

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

A change of 1% in the price of the listed 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, 2024 and 2023 to increase by NT\$335 thousand and NT\$1,203 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, 2024 and 2023 to increase/decrease by NT\$57,907 thousand and NT\$66,901 thousand, respectively.

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

B. Credit risk management

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 2024 and 2023, receivables from top ten customers represented 39.21%, and 55.01% 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 are all reputable financial institutions, management believes that the Company's exposure to default by those parties is minimal.

Credit risk of credit-linked deposits arises if the issuing banks breached the contracts or the debt issuer could not pay off the debts; the maximum exposure is the carrying value of those financial instruments. Therefore, the Company minimized the credit risk by only transacting with 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	December 31, 2023
Low credit risk	Credit risk measure belongs to IG category	12-month expected credit losses	\$ 2,451,247	\$ 2,552,153
	Counter parties with investment grade credit rating			
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category	Lifetime expected credit losses	\$ -	\$ 261,079
	Contract payment overdue 30 days			
Credit-impaired	Credit risk measure belongs to DS category or above	Lifetime expected credit losses	\$ -	\$ -
	Contract payment overdue 90 days			
	Other impaired evidence			
Simplified method (Note)	(Note)	Lifetime expected credit losses	\$ 21,884,015	\$ 35,397,637

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Note: The Company adopted simplified method (lifetime expected credit loss) to measure credit risk. It includes trade receivables (including related parties) and 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
<u>As of December 31, 2024</u>				
Trade payables (including related parties)	\$ 25,050,301	\$ -	\$ -	\$ 25,050,301
Other payables (including related parties)	92,552,263	-	-	92,552,263
Lease liabilities	310,887	499,107	1,955,541	2,765,535
Long-term payables (including related parties)	5,106,282	1,742,737	68,485,120	75,334,139

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

	Less than 1 year	1 to 5 years	Later than 5 years	Total
Total	<u>\$ 123,019,733</u>	<u>\$ 2,241,844</u>	<u>\$ 70,440,661</u>	<u>\$ 195,702,238</u>

As of December 31, 2023

Trade payables (including

related parties)	\$ 25,584,482	\$ -	\$ -	\$ 25,584,482
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Other payables (including

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

	Less than 1 year	1 to 5 years	Total
<u>As of December 31, 2024</u>			
Net settlement			
Forward exchange contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2023

Net settlement

Forward exchange contracts	<u>\$ (301,272)</u>	<u>\$ -</u>	<u>\$ (301,272)</u>
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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:**

	Lease liabilities	Deposits received	Other payables - related parties (including long-term)	Total liabilities from financing activities
As of January 1, 2024	\$ 2,356,246	\$ 56,677	\$ 21,151,965	\$ 23,564,888
Cash flows	(303,548)	(318)	48,499,570	48,195,704
Non-cash movement	173,001	-	980,752	1,153,753
As of December 31, 2024	<u>\$ 2,225,699</u>	<u>\$ 56,359</u>	<u>\$ 70,632,287</u>	<u>\$ 72,914,345</u>

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

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

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

(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)
<u>Financial assets</u>			
Monetary item:			
USD	\$ 3,725,986	32.768	\$ 122,093,121
<u>Financial liabilities</u>			
Monetary item:			
USD	\$ 1,299,247	32.768	\$ 42,568,909
December 31, 2023			
	Foreign Currency		
	(thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>			
Monetary item:			
USD	\$ 2,302,628	30.747	\$ 70,798,911
<u>Financial liabilities</u>			
Monetary item:			
USD	\$ 2,001,914	30.747	\$ 61,552,859

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Functional currencies of entities of the Company are varied. Accordingly, the Company is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange (losses) gains for the years ended December 31, 2024 and 2023 please refer to Note 6. (25)

(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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

I. Financial instruments and derivative transactions: Please refer to Note 12.

(2) Information on investees

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

(3) Investment in Mainland China

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

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

(4) Main shareholder information

None.

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

Attachment 3

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	-	
	Stocks	Ganzin Technology, Inc.	Hsiang Fa Co.	-	\$	14,377	-	\$	14,377	-	
		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-I	Digimoc Holdings Limited	-	USD	1,482	-	USD	1,482	-	
		The Access Fund, LP	Digimoc Holdings Limited	-	USD	428	-	USD	428	-	
Bonds		ENNOCNN 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	-	
		Aeonsemi, Inc.	Digimoc Holdings Limited	1,417,657	USD	20,210	6%	USD	20,210	-	
Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Stocks	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	-	
		Expedita, 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		

- 105 -

(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 OfThings 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	-
		Crédit 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.
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.
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	Marketch 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.
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.
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.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEEs IN MAINLAND CHINA)
For the year ended December 31, 2024

Attachment 8

(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	\$ 22,972	\$ 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
Airoha (Cayman) Inc.	MediaTek Bangalore Private Limited	India	Research	\$ 581,508	\$ 581,508	1,999,999	100%	\$ 1,275,673	\$ 389,027	\$ 399,672	1
	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
	MediaTek India Technology Pvt. Ltd.	India	Research	USD 0	USD 0	1	0%	USD 0	INR 306,368	-	1 and 6
Digimoc Holdings Limited	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
	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
Gaintech Co. Limited	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
	CSV1 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	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)

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2024			(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)		
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount	Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
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	1,111,815	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
Smartehead 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 Corporation	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.
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2024

Attachment 9

(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.
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	Airoha (Cayman) Inc.	\$ 31,130	-	-	\$ 31,130	\$ 13,335	70%	\$ 9,366	\$ 92,393	-
		USD 950		USD 950	-	-	USD 950	USD 415		USD 292	USD 2,820	
Sigmastar Technology Ltd.	Research, manufacturing and sales	\$ 1,884,930	Sigmastar Technology Inc.	\$ 65,536	-	-	\$ 65,536	\$ 1,084,501	29%	\$ 341,172	\$ 10,114,735	-
		CNY 421,060		USD 2,000	-	-	USD 2,000	USD 33,776		USD 10,626	USD 308,677	
Xuxi (Shanghai) Management Consulting Co., Ltd	General investing	\$ 1,947,782	Xuxin Investment (Shanghai) Inc.	\$ 2,033,825	\$ 180	-	\$ 2,034,004	\$ 338,463	100%	\$ 338,463	\$ 2,893,863	-
		CNY 435,100		USD 62,067	USD 5	-	USD 62,072	CNY 75,971		CNY 75,971	CNY 646,438	
Shanghai KQC Financial Management	General investing	\$ 147,729	Xuxin Investment (Shanghai) Inc.	\$ 32,010	-	-	\$ 32,010	\$ (1)	20%	\$ (0)	\$ 29,545	-
		CNY 33,000		USD 977	-	-	USD 977	CNY (0)		CNY (0)	CNY 6,600	
Hefei Xuhui Management Consulting Co., Ltd.	General investing	\$ 1,947,334	Xuxi (Shanghai) Management Consulting Co.,Ltd	\$ 2,033,551	-	-	\$ 2,033,551	\$ 338,511	100%	\$ 338,511	\$ 2,893,671	-
		CNY 435,000		USD 62,059	-	-	USD 62,059	CNY 75,982		CNY 75,982	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	\$ 30,811,699	\$ 237,976,247
USD 726,242	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=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)

MEDIATEK INC.
1. STATEMENT OF CASH AND CASH EQUIVALENTS
As of December 31, 2024

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

Item	Description	Amount	Amount in Foreign Currencies	Note
Bank Deposits				
Foreign currency deposits		\$ 119,110	USD 3,547 CNY 453 EUR 25 JPY 0	1. USD1=NTD32.768 CNY1=NTD4.4766 EUR1=NTD34.1148 JPY1=NTD0.2098
Savings and checking deposits		<u>1,029,895</u>		
Subtotal		<u>1,149,005</u>		
Time Deposits				
Time Deposits - NT Dollars		15,300,000		
Time Deposits - US Dollars		<u>72,692,858</u>	USD 2,218,410	2. The period is from May 28, 2024 to June 26, 2025, the interest rate is from 1.66% to 5.51%.
Subtotal		<u>87,992,858</u>		
Total		<u>\$ 89,141,863</u>		

MEDIATEK INC.

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

As of December 31, 2024

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

Financial Instruments	Description	Units	Contract Amount/ Acquisition Cost	Contract Period	Fair Value	Note
Financial assets at fair value through profit or loss						
Financial assets mandatorily measured at fair value through profit or loss			Acquisition Cost			
Fund						
KGI Securities Co., Ltd.		62,570,966	\$ 794,157		\$ 1,052,502	
Linked Deposits						
Taishin Financial Holding Co., Ltd.			295,000		295,892	
Giant Manufacturing Co. Ltd.			200,000		201,448	
Subtotal			495,000		497,340	
Total			\$ 1,289,157		\$ 1,549,842	
Financial liabilities at fair value through profit or loss						
Held for trading financial liabilities			Contract Amount			
Forward exchange contracts - purchase US dollars			USD 890,000	2024.11-2025.3	\$ 265,406	

MEDIATEK INC.

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

As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Financial Instruments	Description	Amount	Interest Rate	Period	Note
BAIDU, Inc.		\$ 42,451	1.42%	2020/11/30~2025/04/07	
Tencent Music Entertainment Group		157,036	1.22~1.28%	2020/11/20~2025/09/03	
Total		<u>\$ 199,487</u>			

MEDIATEK INC.

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

As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Client	Description	Amount	Note
Trade receivables			
Client A		\$ 4,129,833	
Client B		2,144,748	
Client C		1,764,616	
Client D		1,398,618	
Client E		1,109,100	
Others	Each amount of individual client in others does not exceed 5% of the account balance.	9,969,850	
Subtotal		20,516,765	
Less: Loss allowance		(1,808)	
Net amount		20,514,957	
Trade receivables from related parties			
MediaTek Singapore Pte. Ltd.		297,833	
Nephos (Hefei) Co., Ltd.		185,544	
Airoha Technology Corp.		137,416	
Other	Each amount of individual client in others does not exceed 5% of the account balance.	18,565	
Subtotal		639,358	
Total		\$ 21,154,315	

MEDIATEK INC.

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

As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Factoring receivables		\$ 1,315,686	
VAT deductibles		1,583,584	
Interest receivables		1,152,985	
Others	Each amount of individual item	<u>51</u>	
Subtotal	in others does not exceed 5% of the account balance.	<u>4,052,306</u>	
Other receivables from related parties			
MediaTek Investment Singapore Pte. Ltd.	Dividends and capital reductions	22,151,168	
Others	Each amount of individual item	<u>324,313</u>	
Subtotal	in others does not exceed 5% of the account balance.	<u>22,475,481</u>	
Total		<u>\$ 26,527,787</u>	

MEDIATEK INC.
6. STATEMENT OF INVENTORIES
As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials		\$ 1,187,907	\$ 2,140,411	
Work in process		28,313,295	60,270,396	
Finished goods		<u>14,789,510</u>	<u>34,604,361</u>	
Total		44,290,712	<u>\$ 97,015,168</u>	
Less : Allowance for inventory valuation losses		<u>(16,677,093)</u>		
Net Amount		<u>\$ 27,613,619</u>		

MEDIATEK INC.

7. STATEMENT OF PREPAYMENTS AND OTHER CURRENT ASSETS

As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Payment in advance		\$ 5,811,468	
Prepaid supplies inventory		1,507,418	
Prepaid expenses		502,174	
Others	Each amount of individual item in others does not exceed 5% of the account balance.	44,379	
Subtotal		<u>7,865,439</u>	
Other Current Assets			
Temporary payments of tax	Sales tax and withholding income tax	1,365,979	
Refundable Deposit-current		2,023,424	
Others	Each amount of individual item in others does not exceed 5% of the account balance.	226,963	
Subtotal		<u>3,616,366</u>	
Total		<u>\$ 11,481,805</u>	

MEDiatek INC.

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

For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Gain on Disposal	Reclassification		Adjustments	Ending Balance		Collateral	Note
	Units	Fair Value	Units	Amount	Units	Amount	Amount	Units	Amount		Units	Fair Value		
Financial assets mandatorily measured at fair value through profit or loss														
Stock														
Shin Kong Financial Holding Co., Ltd., Preferred Stock A	4,200,000	\$ 120,330	-	\$ -	(2,051,000)	\$ (92,295)	\$ (24,501)	(1,204,000)	\$ (54,180)	\$ 59,645	945,000	\$ 33,500	None	
Linked Deposits														
Taishin Financial Holding Co., Ltd.	-	295,895	-	-	-	-	-	-	(295,000)	(895)	-	-	None	
Giant Manufacturing Co. Ltd.	-	292,247	-	-	-	-	-	-	(290,000)	(2,247)	-	-	None	
Subtotal		588,142		-		-	-		(585,000)	(3,142)		-		
Total		\$ 708,472		\$ -		\$ (92,295)	\$ (24,501)		\$ (639,180)	\$ 56,503		\$ 33,500		

MEDIATEK INC.

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

For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance		Acquisition		Disposal		Reclassification		Adjustments	Ending Balance		Accumulated Impairment	Collateral	Note
	Units	Fair Value	Units	Amount	Units	Amount	Units	Amount		Units	Fair Value			
Equity instrument investments measured at fair value through other comprehensive income														
Funds														
Fund issued by Cathay Finacial Holdings Co., Ltd.	145,703,000	\$ 2,438,560	-	\$ -	-	\$ -	-	\$ -	\$ (192,343)	145,703,000	\$ 2,246,217	Not applicable	None	
Fund issued by Fubon Finacial Holdings Co., Ltd.	30,165,000	<u>414,922</u>	-	<u>-</u>	-	<u>-</u>	-	<u>-</u>	<u>(33,192)</u>	30,165,000	<u>381,730</u>	Not applicable	None	
Subtotal		<u>2,853,482</u>		<u>-</u>		<u>-</u>		<u>-</u>	<u>(225,535)</u>		<u>2,627,947</u>			
Stocks														
EosTek Limited (Cayman)	640,000	1,180	-	-	(640,000)	(5,961)	-	-	4,781	-	-	Not applicable	None	
Chailease Finance Co., Ltd. Preferred Stock A	2,750,000	269,225	-	-	-	-	-	-	550	2,750,000	269,775	Not applicable	None	
WT Microelectronics Preferred Stock A	8,241,000	376,202	-	-	-	-	-	-	34,200	8,241,000	410,402	Not applicable	None	
Shin Kong Financial Holding Co., Ltd., Preferred Stock B	12,888,000	369,241	-	-	(6,810,000)	(292,923)	-	-	138,540	6,078,000	214,858	Not applicable	None	
WPG Holdings Limited Preferred Share A	10,900,000	512,300	-	-	(10,900,000)	(523,388)	-	-	11,088	-	-	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock A	1,786,666	109,165	-	-	-	-	-	-	3,752	1,786,666	112,917	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock B	15,000,000	898,500	-	-	-	-	-	-	9,000	15,000,000	907,500	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock C	7,056,243	388,094	-	-	-	-	-	-	(12,702)	7,056,243	375,392	Not applicable	None	
Cathay Financial Holdings preferred stock A	2,405,000	143,338	-	-	-	-	-	-	3,367	2,405,000	146,705	Not applicable	None	
Taishin Financial Holding Co., Ltd. exchangeable preferred stock	45,325,000	770,525	-	-	-	-	-	-	(45,325)	45,325,000	725,200	Not applicable	None	
WT Microelectronics	-	-	815,832	77,504	(815,832)	(77,504)	-	-	-	-	-	Not applicable	None	
Intellectual Property Innovation Corp.	-	<u>-</u>	-	<u>-</u>	-	<u>-</u>	500,000	<u>5,000</u>	<u>(615)</u>	500,000	<u>4,385</u>	Not applicable	None	
Subtotal		<u>3,837,770</u>		<u>77,504</u>		<u>(899,776)</u>		<u>5,000</u>	<u>146,636</u>		<u>3,167,134</u>			
Total		<u>\$ 6,691,252</u>		<u>\$ 77,504</u>		<u>\$ (899,776)</u>		<u>\$ 5,000</u>	<u>\$ (78,899)</u>		<u>\$ 5,795,081</u>			
Debt instrument investments measured at fair value through other comprehensive income														
Bonds														
Chailease Finance Co., Ltd. 2022-1 Unsecured Corporate Bond	-	<u>\$ 201,113</u>	-	<u>\$ -</u>	-	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ 103</u>	-	<u>\$ 201,216</u>			

MEDIATEK INC.

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

As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Interest Rate	Period	Note
Time deposits					Please refer to Note 8 of the notes to the financial statements.
Taiwan Cooperative Bank	Land lease guarantee	\$ 39,096	1.700%	2022/06/13~2025/11/07	
Mega Bank	Land lease guarantee	25,280	0.56%~1.7%	2020/09/01~2025/12/23	
	Customs clearance deposits	24,000	1.23%	2018/08/30~2025/01/28	
First Commercial Bank	Land lease guarantee	24,203	0.795%~1.435%	2023/11/06~2025/05/06	
	Subtotal	112,579			
Financial assets measured at amortized cost - noncurrent					
	Cathay Life Insurance.	290,000			
	KGI Securities Co., Ltd.	580,000			
	Taiwan Semiconductor Manufacturing Co., Ltd.	500,544			
	Cathay Financial Holdings Co., Ltd	290,000			
	Fubon Life Insurance Co., Ltd.	290,000			
	Vanguard International Semiconductor Corporation	100,000			
	Subtotal	2,050,544			
	Total	\$ 2,163,123			

MEDIATEK INC.
11. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Investee Company	Beginning Balance		Acquisition (Note 1)		Disposal (Note 2)		Investment Income (Loss)	Ending Balance			Net Assets Value/ Fair Value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount		Shares	%	Amount	Unit price	Total Amount		
HFI Innovation Inc.	195,524,752	\$ 1,630,852	16,350,778	\$ 211,658	-	\$ (73,573)	\$ 493,470	211,875,530	100%	\$ 2,262,407	\$ 10.68	\$ 2,262,407	None	
Hsu-Ta Investment Corp.	592,580,103	7,899,208	149,649,363	876,106	(742,229,466)	(9,109,665)	334,351	-	-	-	-	-	None	
MediaTek Investment Singapore Pte. Ltd.	2,233,845,498	224,563,433	-	14,955,556	(662,000,000)	(28,555,030)	8,593,310	1,571,845,498	100%	219,557,269	139.68	219,557,269	None	
MediaTek Singapore Pte. Ltd.	187,513,879	43,041,504	-	3,077,170	-	(22,542,953)	60,003,922	187,513,879	100%	83,579,643	445.73	83,579,643	None	
MStar Co., Ltd.	13,350,000	145,348	-	-	-	(6,885)	18,330	13,350,000	100%	156,793	11.74	156,793	None	
Spidcom Technologies	146,200	-	-	-	-	-	-	146,200	100%	-	-	-	None	
Richtek Technology Corp.	148,482,806	16,715,876	-	64,040	-	(2,152,495)	2,012,257	148,482,806	100%	16,639,678	112.06	16,639,678	None	
IC Plus Corp.	13,125,454	292,963	-	1,152,415	-	(278,471)	(29,974)	13,125,454	14%	1,136,933	75.30 (Note 3)	988,347	None	
MediaTek Capital Co.	111,800,000	708,831	1,760,814,808	9,224,187	-	(537,112)	19,614	1,872,614,808	100%	9,415,520	5.03	9,415,520	None	
Intellectual Property Innovation Corp.	3,000,000	30,966	-	-	(3,000,000)	(32,251)	1,285	-	-	-	-	-	None	
Airoha Technology Corp.	111,235,745	12,166,800	-	243,103	-	(749,776)	1,858,249	111,235,745	66%	13,518,376	704 (Note 4)	78,309,964	None	
Hsu-Yuan Investment Corp.	50,000,000	442,271	200,000,000	2,000,000	-	-	9,040	250,000,000	100%	2,451,311	9.81	2,451,311	None	
MediaTek Research UK Limited	280,000	39,429	-	1,998	-	-	10,800	280,000	100%	52,227	186.53	52,227	None	
MediaTek Bangalore Private Limited	1,999,999	994,720	-	46,084	-	(164,803)	399,672	1,999,999	100%	1,275,673	637.84	1,275,673	None	
MediaTek Japan Inc.	-	-	7,100	42,963	-	(2,088)	3,780	7,100	100%	44,655	6,289.44	44,655	None	
MediaTek Korea Inc.	-	-	200,000	202,430	-	(22,156)	20,904	200,000	100%	201,178	1,005.89	201,178	None	
Total		<u>\$ 308,672,201</u>		<u>\$ 32,097,710</u>		<u>\$ (64,227,258)</u>	<u>\$ 73,749,010</u>			<u>\$ 350,291,663</u>				

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

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

Note 3: Calculated based on the closing price of Taipei Exchange on December 31, 2024.

Note 4: Calculated based on the closing price of Taiwan Stock Exchange Corporation on December 31, 2024.

MEDIATEK INC.

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

As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Property, plant and equipment		<u>\$ 33,511,820</u>	Please refer to Note 6(10) of the notes to the financial statements.
Intangible assets		<u>\$ 61,487,848</u>	Please refer to Note 6(11) of the notes to the financial statements.
Other non-current assets			
Deferred tax assets		\$ 8,383,668	
Refundable deposits		1,179,962	
Other non-current assets-others		<u>4,582,424</u>	
Total		<u>\$ 14,146,054</u>	

MEDIATEK INC.
13. RIGHT-OF-USE ASSET
For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance	Acquisition	Lease termination and modification	Ending Balance	Note
Cost					
Land	\$ 1,901,685	\$ 4,036	\$ -	\$ 1,905,721	
Buildings and facilities	889,808	27,203	(88,061)	828,950	
Machinery equipment	351,145	141,762	(234,372)	258,535	
Transportation equipment	9,570	-	(3,185)	6,385	
Total	<u>\$ 3,152,208</u>	<u>\$ 173,001</u>	<u>\$ (325,618)</u>	<u>\$ 2,999,591</u>	
Amortization and impairment					
Land	\$ 198,953	\$ 44,538	\$ -	\$ 243,491	
Buildings and facilities	373,276	176,021	(88,061)	461,236	
Machinery equipment	246,739	113,153	(234,372)	125,520	
Transportation equipment	7,314	2,111	(3,185)	6,240	
Total	<u>\$ 826,282</u>	<u>\$ 335,823</u>	<u>\$ (325,618)</u>	<u>\$ 836,487</u>	

MEDIATEK INC.

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

As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Supplier	Description	Amount	Note
Trade payables			
Supplier A		\$ 7,544,660	
Supplier B		2,845,558	
Supplier C		2,108,837	
Supplier D		1,486,849	
Supplier E		1,244,735	
Others	Each amount of individual vendor in others does not exceed 5% of the account balance.	8,013,846	
Subtotal		<u>23,244,485</u>	
Trade payables to related parties			
King Yuan Electronics Co., Ltd.		1,048,343	
Airoha Technology Corp.		635,505	
Others	Each amount of individual vendor in others does not exceed 5% of the account balance.	121,968	
Subtotal		<u>1,805,816</u>	
Total		<u>\$ 25,050,301</u>	

MEDIATEK INC.

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

As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other Payables			
Accrued salaries and bonuses		\$ 27,708,068	
Dividends payable		46,448,952	
Others	Each amount of individual item in others does not exceed 5% of the account balance.	16,248,076	
Subtotal		<u>90,405,096</u>	
Other Payables to related parties			
Other	Each amount of individual item in others does not exceed 5% of the account balance.	2,147,167	
Total		<u><u>\$ 92,552,263</u></u>	

MEDIATEK INC.
16. STATEMENT OF OTHER CURRENT LIABILITIES
As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other current liabilities			
Refund liabilities		\$ 40,863,905	
Temporary receipts		878,255	
Total		<u>\$ 41,742,160</u>	

MEDIATEK INC.
17. STATEMENT OF LEASE LIABILITIES
As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Lease term	Discount rates (annual)	Ending Balance	Note
Land	2019/01/01~2073/04/30	0.925%~2.235%	\$ 1,720,567	
Buildings and facilities	2020/10/22~2027/12/31	0.31%~1.541%	384,714	
Machinery equipment	2023/06/08~2026/12/31	4.3276%~5.0726%	120,272	
Transportation equipment	2021/04/06~2025/02/28	0.480%	146	
Total			<u>2,225,699</u>	
Less: current portion			<u>(281,600)</u>	
Noncurrent portion			<u><u>\$ 1,944,099</u></u>	

MEDIATEK INC.
18. STATEMENT OF OTHER NON-CURRENT LIABILITIES
As of December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Long-term payables		\$ 1,742,737	
Long-term payables to related parties		68,485,120	
Net defined benefit liabilities - noncurrent		426,982	
Deposits received		56,359	
Deferred tax liabilities		8,056,080	
Others	Each amount of individual item in others does not exceed 5% of the account balance.	855,174	
Total		<u>\$ 79,622,452</u>	

MEDIATEK INC.
19. STATEMENT OF NET SALES
For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Units (Die)	Amount	Note
Sales of goods - multimedia chip and mobile phone chip	2,858,903,858	\$ 269,578,696	
Services and other operating revenue		<u>10,860,188</u>	
Net operating revenue		<u>\$ 280,438,884</u>	

MEDIATEK INC.
20. STATEMENT OF OPERATING COSTS
For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Amount		Note
	Subtotal	Total	
Cost of Goods Sold of Self-made Product			
Direct material			
Beginning of year	\$ 5,184,378		
Add: Raw material purchased	93,993,599		
Less: Raw material, end of year	(1,187,907)		
Direct material used		\$ 97,990,070	
Manufacturing Expenses	34,875,197	34,875,197	
Manufacturing Costs		132,865,267	
Add: Work in process, beginning of year	27,099,956		
Work in process purchased	12,376,856		
Less: Work in process, end of year	(28,313,295)	11,163,517	
Cost of Finished Goods		144,028,784	
Add: Finished goods, beginning of year	12,268,576		
Finished goods purchased	140,266		
Less: Finished goods, end of year	(14,789,510)		
Transferred to operating expenses	(1,474,098)	(3,854,766)	
Subtotal		140,174,018	
Other Operating Costs			
The reversal of write-down of inventories		(2,797,048)	
Gain on sales of scrap		(10,597)	
Others		(7,182,376)	
Total Operating Costs		<u>\$ 130,183,997</u>	

MEDIATEK INC.
21. STATEMENT OF OPERATING EXPENSES
For the year ended December 31, 2024

(Amounts in Thousands of New Taiwan Dollars)

Item	Research and Development Expenses	Administrative Expenses	Selling Expenses
Payroll expenses	\$ 54,611,364	\$ 4,609,027	\$ 850,860
Depreciation	6,861,663	714,417	293
Amortization	5,204,342	48,005	10,633
Service fee and advertisement expenses	4,287,541	307,640	2,852,798
License fee	1,980,973	-	4,356,227
Design and experiment expenses	25,787,340	-	-
Others	3,220,233	882,645	1,440,183
Total	<u>\$ 101,953,456</u>	<u>\$ 6,561,734</u>	<u>\$ 9,510,994</u>

MEDIATEK INC.

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

For the years ended December 31, 2024 and 2023

(Amounts in Thousands of New Taiwan Dollars)

Function Nature	For the year ended December 31, 2024			For the year ended December 31, 2023		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Payroll	\$ 906,700	\$ 55,855,584	\$ 56,762,284	\$ 806,034	\$ 46,441,833	\$ 47,247,867
Labor and health	66,719	2,133,292	2,200,011	65,580	2,058,532	2,124,112
Pension	35,216	1,092,057	1,127,273	34,624	1,078,682	1,113,306
Board compensation	-	119,230	119,230	-	119,890	119,890
Others	21,341	871,088	892,429	21,105	821,307	842,412
Employee benefits expenses (Note)	<u>\$ 1,029,976</u>	<u>\$ 60,071,251</u>	<u>\$ 61,101,227</u>	<u>\$ 927,343</u>	<u>\$ 50,520,244</u>	<u>\$ 51,447,587</u>
Depreciation	\$ 336,239	\$ 7,576,373	\$ 7,912,612	\$ 43,502	\$ 6,640,353	\$ 6,683,855
Amortization	\$ 7,257	\$ 5,262,980	\$ 5,270,237	\$ 777	\$ 4,456,026	\$ 4,456,803

NOTE:

1. For the years end December 31, 2024 and 2023, the Company had 12,256 and 12,293 employees on average, respectively, which included 5 and 6 non-employee directors , respectively.
2. Employee benefits expenses in average were NT\$4,978 thousand and NT\$4,177 thousand for the years ended December 31, 2024 and 2023, respectively.
3. Payroll expenses in average were NT\$4,633 thousand and NT\$3,845 thousand for the years ended December 31, 2024 and 2023, respectively.
4. Average payroll increased by 20%.

(To be continued)

(Continued)

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

(1) Director of the Board:

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

(2) Managerial Officer:

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

(3) Employees:

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

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

(To be continued)

(Continued)

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