

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, 2025 AND 2024**

Notice to Readers

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

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, 2025 and 2024, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2025 and 2024, 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, 2025 and 2024, and the parent company only financial performance and the parent company only cash flows for the years ended December 31, 2025 and 2024, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

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 2025 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\$334,347,346 thousand as net sales, which includes sale of goods in the amount of NT\$319,246,812 thousand and services and other operating revenues in the amount of NT\$15,100,534 thousand for the year ended December 31, 2025. Main source of revenue comes from sales of chips. Due to the fact that the product portfolio and the pricing methods are varied and sales discounts are usually directly included or indirectly implied in purchase orders or in practice, it is necessary for the Company to judge and determine the performance obligation of a contract, the timing of its satisfaction, and the estimate of the variable considerations. As a result, we determined the matter to be a key audit matter.

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

We also considered the appropriateness of the disclosures of sales. Please refer to Note 4, Note 5 and Note 6 in notes to 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 2025 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

Hu, Shen-Chieh

Ernst & Young, Taiwan

February 26, 2026

Notice to Readers

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

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

MEDIATEK INC.
PARENT COMPANY ONLY BALANCE SHEETS
As of December 31, 2025 and 2024
(Amounts in thousands of New Taiwan Dollars)

ASSETS	Notes	December 31, 2025	%	December 31, 2024	%
Current assets					
Cash and cash equivalents	4, 6(1)	\$ 121,098,034	18	\$ 89,141,863	14
Financial assets at fair value through profit or loss-current	4, 5, 6(2)	999	-	1,815,248	-
Financial assets at fair value through other comprehensive income-current	4, 5, 6(3)	53,771	-	-	-
Financial assets measured at amortized cost-current	4, 6(4)	-	-	199,487	-
Trade receivables, net	4, 6(5), 6(6)	32,845,243	5	20,514,957	3
Trade receivables from related parties, net	4, 6(5), 6(6), 7	908,411	-	639,358	-
Finance lease receivables, net	4, 6(6), 6(12)	-	-	727,892	-
Other receivables	6(7)	3,521,882	-	4,052,306	1
Other receivables from related parties	7	5,040,953	1	22,475,481	3
Current tax assets	4, 5, 6(28)	1,153,436	-	1,114,792	-
Inventories	4, 5, 6(8)	43,107,636	7	27,613,619	4
Prepayments	6(9), 9	5,492,868	1	7,865,439	2
Other current assets	9	1,166,973	-	3,616,366	1
Total current assets		214,390,206	32	179,776,808	28
Non-current assets					
Financial assets at fair value through profit or loss-noncurrent	4, 5, 6(2)	-	-	33,500	-
Financial assets at fair value through other comprehensive income-noncurrent	4, 5, 6(3)	5,239,436	1	5,996,297	1
Financial assets measured at amortized cost-noncurrent	4, 6(4), 8	2,465,665	-	2,163,123	1
Investments accounted for using the equity method	4, 6(10)	327,745,858	50	350,291,663	54
Property, plant and equipment	4, 6(11)	35,864,388	6	33,511,820	5
Right-of-use assets	4, 6(12)	2,261,590	-	2,163,104	-
Intangible assets	4, 6(13), 6(14)	60,029,192	9	61,487,848	9
Deferred tax assets	4, 5, 6(28)	9,185,185	1	8,383,668	1
Refundable deposits	9	3,947,620	1	1,179,962	-
Other non-current assets-others	9	515,935	-	4,582,424	1
Total non-current assets		447,254,869	68	469,793,409	72
Total assets		\$ 661,645,075	100	\$ 649,570,217	100

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 BALANCE SHEETS

As of December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	Notes	December 31, 2025	%	December 31, 2024	%
Current liabilities					
Contract liabilities-current	4, 5, 6(21), 7	\$ 6,902,311	1	\$ 4,019,704	1
Trade payables		29,423,847	5	23,244,485	4
Trade payables to related parties	7	2,275,308	-	1,805,816	-
Other payables	6(15)	84,864,792	13	90,405,096	14
Other payables to related parties	7	1,996,139	-	2,147,167	-
Current tax liabilities	4, 5, 6(28)	8,346,343	1	2,624,279	-
Lease liabilities-current	4, 6(12)	391,103	-	281,600	-
Current portion of long-term liabilities		2,223,553	-	5,106,282	1
Other current liabilities	4, 5, 6(16), 7	43,285,196	7	41,742,160	6
Total current liabilities		179,708,592	27	171,376,589	26
Non-current liabilities					
Long-term payables		3,819,688	1	1,742,737	-
Long-term payables to related parties	7	65,717,960	10	68,485,120	12
Net defined benefit liabilities-noncurrent	4, 6(17)	380,285	-	426,982	-
Deposits received	7	55,455	-	56,359	-
Deferred tax liabilities	4, 5, 6(28)	8,562,639	1	8,056,080	1
Lease liabilities-noncurrent	4, 6(12)	1,872,780	-	1,944,099	-
Other non-current liabilities-others	4, 6(18), 9	926,688	-	855,174	-
Total non-current liabilities		81,335,495	12	81,566,551	13
Total liabilities		261,044,087	39	252,943,140	39
Equity					
Share capital	6(19)				
Common stock		16,039,122	3	16,016,880	2
Capital surplus	6(19), 6(20)	34,599,724	5	31,636,053	5
Retained earnings	6(19)				
Legal reserve		100,019,777	15	89,308,524	14
Undistributed earnings		219,519,259	33	210,598,743	32
Other equity	6(20)	30,479,076	5	49,122,847	8
Treasury shares	4, 6(19)	(55,970)	-	(55,970)	-
Total equity		400,600,988	61	396,627,077	61
Total liabilities and equity		<u>\$ 661,645,075</u>	<u>100</u>	<u>\$ 649,570,217</u>	<u>100</u>

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, 2025 and 2024

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

Description	Notes	2025	%	2024	%
Net sales	4, 5, 6(21), 7	\$ 334,347,346	100	\$ 280,438,884	100
Operating costs	4, 5, 6(8), 6(22), 7	(162,258,988)	(49)	(130,183,997)	(46)
Gross profit		172,088,358	51	150,254,887	54
Unrealized gross loss (profit) on sales		46,907	-	(371,226)	-
Realized gross profit on sales		192,493	-	211,658	-
Gross profit, net		172,327,758	51	150,095,319	54
Operating expenses	6(6), 6(12), 6(22), 7				
Selling expenses		(12,729,079)	(4)	(9,510,994)	(3)
Administrative expenses		(5,254,357)	(1)	(6,561,734)	(2)
Research and development expenses		(110,092,021)	(33)	(101,953,456)	(37)
Expected credit impairment gains		972	-	56,125	-
Total operating expenses		(128,074,485)	(38)	(117,970,059)	(42)
Operating income		44,253,273	13	32,125,260	12
Non-operating income and expenses					
Interest income	4, 6(23)	3,478,290	1	2,874,889	1
Other income	4, 6(24), 7	618,932	-	350,857	-
Other gains and losses	4, 6(25)	4,359,492	1	1,698,360	1
Finance costs	6(26), 7	(475,053)	-	(154,822)	-
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	4	59,045,079	18	73,749,010	26
Total non-operating income and expenses		67,026,740	20	78,518,294	28
Net income before income tax		111,280,013	33	110,643,554	40
Income tax expense	4, 5, 6(28)	(5,960,758)	(2)	(4,256,976)	(2)
Net income		105,319,255	31	106,386,578	38
Other comprehensive income	4, 6(10), 6(17), 6(27), 6(28)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plan		4,790	-	57,171	-
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(214,520)	-	(110,215)	-
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method which may not be reclassified to profit or loss		(8,070,369)	(2)	(1,788,803)	(1)
Income tax relating to those items not to be reclassified to profit or loss		(958)	-	(11,434)	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences resulting from translating the financial statements of foreign operations		(9,496,005)	(3)	17,005,504	5
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income		(1,216)	-	104	-
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		13,864	-	16,700	-
Other comprehensive income, net of tax		(17,764,414)	(5)	15,169,027	4
Total comprehensive income		\$ 87,554,841	26	\$ 121,555,605	42
Earnings Per Share :	6(29)				
Basic Earnings Per Share (in New Taiwan Dollars)		\$ 66.16		\$ 66.92	
Diluted Earnings Per Share (in New Taiwan Dollars)		\$ 66.03		\$ 66.78	

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

MEDIATEK INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Description	Share capital	Capital surplus	Retained earnings		Other equity			Treasury shares	Total equity
	Common stock		Legal reserve	Undistributed earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Others		
Balance as of January 1, 2024	\$ 15,996,475	\$ 28,350,438	\$ 75,782,948	\$ 212,669,736	\$ 6,108,654	\$ 29,887,085	\$ (533,584)	\$ (55,970)	\$ 368,205,782
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
Distribution of earnings:									
Legal reserve	—	—	10,711,253	(10,711,253)	—	—	—	—	—
Cash dividends	—	—	—	(86,554,948)	—	—	—	—	(86,554,948)
Total	—	—	10,711,253	(97,266,201)	—	—	—	—	(86,554,948)
Profit for the year ended December 31, 2025	—	—	—	105,319,255	—	—	—	—	105,319,255
Other comprehensive income for the year ended December 31, 2025	—	—	—	285	(9,496,005)	(8,268,694)	—	—	(17,764,414)
Total comprehensive income	—	—	—	105,319,540	(9,496,005)	(8,268,694)	—	—	87,554,841
Adjustments due to dividends that subsidiaries received from parent company	—	420,882	—	—	—	—	—	—	420,882
Changes in associates and joint ventures accounted for using the equity method	—	333,727	—	—	—	—	—	—	333,727
The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	—	178	—	—	—	—	—	—	178
Issuance of restricted stock for employees	22,242	2,166,293	—	1,996	—	—	(13,891)	—	2,176,640
Changes in other capital surplus	—	42,591	—	—	—	—	—	—	42,591
Proceeds from disposal of equity instruments measured at fair value through other comprehensive income	—	—	—	865,181	—	(865,181)	—	—	—
Balance as of December 31, 2025	\$ 16,039,122	\$ 34,599,724	\$ 100,019,777	\$ 219,519,259	\$ 13,618,153	\$ 18,794,064	\$ (1,933,141)	\$ (55,970)	\$ 400,600,988

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, 2025 and 2024

(Amounts in thousands of New Taiwan Dollars)

Description	2025	2024
Cash flows from operating activities :		
Profit from continuing operations before tax	\$ 111,280,013	\$ 110,643,554
Adjustments for:		
The profit or loss items which did not affect cash flows:		
Depreciation expenses	9,031,404	7,912,612
Amortization expenses	6,138,551	5,270,237
Expected credit impairment gains	(972)	(56,125)
Net losses (gains) on financial assets or liabilities at fair value through profit or loss	206,661	(623,993)
Interest expenses	475,053	154,822
Net gains arising from derecognition of financial assets measured at amortized cost	-	(32,397)
Interest income	(3,478,290)	(2,874,889)
Dividend income	(139,713)	(133,709)
Share-based payment expenses	1,699,241	970,196
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(59,045,079)	(73,749,010)
Gains on disposal of property, plant and equipment	(45,988)	(6,966)
Property, plant and equipment transferred to expenses	566	-
Gains on disposal of investments accounted for using the equity method	-	(871,693)
Unrealized gross (loss) profit on sales	(46,907)	207,718
Realized gross profit on sales	(192,493)	(211,658)
Changes in operating assets and liabilities:		
Financial assets mandatorily measured at fair value through profit or loss	1,643,406	1,614,478
Trade receivables	(12,329,314)	12,895,509
Trade receivables from related parties	(269,053)	(109,779)
Other receivables	(19,205)	1,504,832
Other receivables from related parties	417,778	(214,780)
Inventories	(15,494,017)	(2,534,850)
Prepayments	5,210,055	40,593
Other current assets	1,892,337	(739,516)
Other non-current assets-others	1,229,005	3,311,405
Contract liabilities	2,882,607	793,909
Trade payables	6,179,362	(869,003)
Trade payables to related parties	469,492	334,822
Other payables	(3,396,345)	6,799,963
Other payables to related parties	(151,028)	980,752
Other current liabilities	1,165,708	6,262,151
Net defined benefit liabilities	(41,907)	(974)
Other non-current liabilities-others	(438,402)	(3,230,481)
Cash inflows generated from operations:	54,832,526	73,437,730
Interest received	4,026,801	1,791,202
Dividends received	61,164,647	29,555,106
Interest paid	(488,150)	(154,822)
Income tax paid	(573,254)	(8,024,133)
Net cash flows from operating activities	118,962,570	96,605,083
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	486,578	868,461
Acquisition of financial assets measured at amortized cost	(302,700)	(536)
Proceeds from repayments of financial assets measured at amortized cost	199,221	391,882
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
Proceeds from capital reduction of investments accounted for using the equity method	21,499,780	-
Acquisition of property, plant and equipment	(11,072,565)	(10,207,411)
Proceeds from disposal of property, plant and equipment	74,863	7,051
(Increase) decrease in refundable deposits	(2,210,602)	300,221
Acquisition of intangible assets	(6,752,100)	(5,493,966)
Decrease in finance lease receivables	727,892	727,892
Net cash flows from (used in) investing activities	2,650,367	(15,690,351)
Cash flows from financing activities :		
Decrease in deposits received	(904)	(318)
Other payables to related parties	-	(19,985,550)
Long-term payables to related parties	(2,767,160)	68,485,120
Payments of lease liabilities	(442,778)	(303,548)
Cash dividends paid	(86,490,511)	(87,979,466)
Other financing activities	44,587	35,374
Net cash flows used in financing activities	(89,656,766)	(39,748,388)
Net increase in cash and cash equivalents	31,956,171	41,166,344
Cash and cash equivalents at the beginning of the year	89,141,863	47,975,519
Cash and cash equivalents at the end of the year	\$ 121,098,034	\$ 89,141,863

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 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 26, 2026.

3. Newly Issued or Revised Standards and Interpretations

- (1) Changes in accounting policies resulting from the initial application of certain standards and amendments

The Company adopted International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, “IFRSs Accounting Standards”), which were endorsed by Financial Supervisory Commission (“FSC”) and became effective for annual periods beginning on or after January 1, 2025. The application of these new standards and amendments had no material effect on the Company.

- (2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which were endorsed by FSC but not yet adopted by the Company as at the date when the Company’s financial statements were authorized for issue are listed below:

Standards or Interpretations Numbers	The Projects of Standards or Interpretations	Effective Date issued by IASB
IFRS 17	“Insurance Contracts”	January 1, 2023
IFRS 9 and IFRS 7	“Financial Instruments” and “Financial Instruments: Disclosures” - Classification and Measurement (Amendment)	January 1, 2026
Annual Improvements to IFRSs Accounting Standards – Volume 11:		
IFRS 1	“First-time Adoption of International Financial Reporting Standards”	January 1, 2026
IFRS 7	“Financial Instruments: Disclosures”	January 1, 2026

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

<u>Standards or Interpretations Numbers</u>	<u>The Projects of Standards or Interpretations</u>	<u>Effective Date issued by IASB</u>
IFRS 9	“Financial Instruments”	January 1, 2026
IFRS 10	“Consolidated Financial Statements”	January 1, 2026
IAS 7	“Statement of Cash Flows”	January 1, 2026
IFRS 9 and IFRS 7	“Financial Instruments” and “Financial Instruments: Disclosures” – Contracts Referencing Nature-dependent Electricity (Amendment)	January 1, 2026

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2026. All standards and interpretations have no material impact on the Company.

- (3) Standards or interpretations issued, revised or amended, by IASB but not yet endorsed by FSC, and not yet adopted by the Company as at the date when the Company’s financial statements were authorized for issue are listed below:

<u>Standards or Interpretations Numbers</u>	<u>The Projects of Standards or Interpretations</u>	<u>Effective Date issued by IASB</u>
IFRS 10 and IAS 28	“Consolidated Financial Statements” and “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures (Amendment)	To be determined by IASB
IFRS 18	“Presentation and Disclosure in Financial Statements”	January 1, 2027 (Note)
IFRS 19	“Disclosure Initiative – Subsidiaries without Public Accountability: Disclosures”	January 1, 2027
IAS 21 and IAS 29	“The Effects of Changes in Foreign Exchange Rates” and “Financial Reporting in Hyperinflationary Economies”– Translation to a Hyperinflationary Presentation Currency(Amendment)	January 1, 2027

Note: On September 25, 2025, the FSC announced in a press release that Taiwan will adopt IFRS 18 in 2028.

The abovementioned standards and interpretations issued by IASB have not yet been endorsed by FSC at the date of issuance of the Company’s financial statements, the local effective dates are to be determined by FSC. As the Company is currently determining the potential impact of the new

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

or amended standards and interpretations of IFRS 10 and IAS 28“Consolidated Financial Statements” and“Investments in Associates and Joint Ventures” (Amendment), and IFRS 18 “Presentation and Disclosure in Financial Statements” . All other standards and interpretations have no material impact on the Company.

4. Summary of Material Accounting Policies

Statement of Compliance

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

Basis of Preparation

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

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

Foreign currency transactions

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

Translation of financial statements in foreign currency

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

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is 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 readily convertible to known amounts of cash with values subject to an insignificant risk of changes.

Financial instruments

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

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

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.

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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)

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

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

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

Property, plant and equipment

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

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

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NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

Leases

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

A. The Company as a lessee

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

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

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

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

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

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

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NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

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

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

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

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

B. The Company as a lessor

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

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NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

Intangible assets

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

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

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

Provisions

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Sales allowances and returns (Refund liabilities)

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

Provision for onerous contracts

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

Treasury shares

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

Revenue recognition

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

Sale of goods

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

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 30 to 90 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as trade receivables. The period between the Company transfers the goods to customers and when the customers pay for that goods is usually short and there is no significant financing component to the contract. For a small part of the contracts, the Company has the right to transfer the goods to customers but does not have a right to an amount of consideration that is unconditional, these 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. (16) 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, 2025	December 31, 2024
Checking and savings accounts	\$ 1,305,324	\$ 1,149,005
Time deposits	119,092,710	87,992,858
Repurchase agreements	700,000	-
Total	<u>\$ 121,098,034</u>	<u>\$ 89,141,863</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, 2025	December 31, 2024
<u>Current</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Funds	\$ -	\$ 1,052,502
Linked deposits	-	497,340
Forward exchange contracts	999	265,406
Total	<u>\$ 999</u>	<u>\$ 1,815,248</u>
<u>Noncurrent</u>		
<u>Financial assets mandatorily measured at fair value through profit or loss</u>		
Stocks	<u>\$ -</u>	<u>\$ 33,500</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, 2025	December 31, 2024
<u>Current</u>		
<u>Equity instrument investments measured at fair value through other comprehensive income</u>		
Listed company stocks	\$ 53,771	\$ -
<u>Noncurrent</u>		
<u>Debt instrument investments measured at fair value through other comprehensive income</u>		
Bonds	\$ 200,000	\$ 201,216
<u>Equity instrument investments measured at fair value through other comprehensive income</u>		
Listed company stocks	2,681,849	3,162,749
Funds	2,352,714	2,627,947
Unlisted company stocks	4,873	4,385
Subtotal	5,039,436	5,795,081
Total	\$ 5,239,436	\$ 5,996,297

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

The Company has equity instrument investments measured at fair value through other comprehensive income. Details on dividends recognized for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Related to investments held at the end of the reporting period	\$ 110,228	\$ 111,909
Related to investments derecognized during the period	29,148	21,800
Dividends recognized during the period	\$ 139,376	\$ 133,709

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

The Company derecognized certain equity instrument investments measured at fair value through other comprehensive income in consideration of the Company's investment strategy. Details on derecognition of the investments for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
The fair value of the investments at the date of derecognition	\$ 487,354	\$ 868,461
The cumulative gain on disposal reclassified from other equity to retained earnings	\$ 69,654	\$ 31,518

(4) Financial assets measured at amortized cost

	December 31, 2025	December 31, 2024
<u>Current</u>		
Bonds	\$ -	\$ 199,487
<u>Noncurrent</u>		
Bonds	\$ 2,350,386	\$ 2,050,544
Time deposits	115,279	112,579
Total	\$ 2,465,665	\$ 2,163,123

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.

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(5) Trade receivables and trade receivables from related parties**

	December 31, 2025	December 31, 2024
Trade receivables	\$ 32,846,079	\$ 20,516,765
Less: loss allowance	(836)	(1,808)
Subtotal	32,845,243	20,514,957
Trade receivables from related parties	908,411	639,358
Less: loss allowance	-	-
Subtotal	908,411	639,358
Total	<u>\$ 33,753,654</u>	<u>\$ 21,154,315</u>

Trade receivables are generally on 30 to 90 day terms. Please refer to Note 6. (6) for more details on the loss allowance of trade receivables for the years ended December 31, 2025 and 2024. Please refer to Note 12 for more details on credit risk.

Among trade receivables, the amount attributed to financial assets measured at fair value through profit or loss due to regular factoring without recourse were \$1,434,050 thousand and NT\$653,192 thousand as of December 31, 2025 and 2024, respectively.

(6) Expected credit gains

	For the years ended December 31	
	2025	2024
Impairment gains		
Trade receivables	<u>\$ 972</u>	<u>\$ 56,125</u>

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, 2025, and 2024 was as follows:

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

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

2025.12.31

	Neither past due	Past due				Total
		Within 30 days	31-60 days	61-90 days	After 90 days	
Gross carrying amount	\$ 32,438,201	\$ 395,226	\$ 6,473	\$ 5,633	\$ 546	\$ 32,846,079
Loss ratio	0%	0%	0%	10%	50%	
Lifetime expected credit losses	-	-	-	(563)	(273)	(836)
Carrying amount of trade receivables	<u>\$ 32,438,201</u>	<u>\$ 395,226</u>	<u>\$ 6,473</u>	<u>\$ 5,070</u>	<u>\$ 273</u>	<u>\$ 32,845,243</u>

2024.12.31

	Neither past due	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	<u>\$ 19,413,008</u>	<u>\$ 874,893</u>	<u>\$ 158,602</u>	<u>\$ 68,351</u>	<u>\$ 103</u>	<u>\$ 20,514,957</u>

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, 2025 and 2024 were as follows:

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

	Trade receivables (including related parties)	Finance lease receivables
As of January 1, 2025	\$ 1,808	\$ -
Allowance for the current period	(972)	-
As of December 31, 2025	<u>\$ 836</u>	<u>\$ -</u>
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>

(7) Other receivables

	December 31, 2025	December 31, 2024
Factoring receivables	\$ 787,681	\$ 1,315,686
Others	2,734,201	2,736,620
Total	<u>\$ 3,521,882</u>	<u>\$ 4,052,306</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, 2025 and 2024, trade receivables derecognized were summarized (by transferee) as follows:

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

A. As of December 31, 2025:

The Factor (Transferee)	Interest Rate (%)	Trade		Unutilized (US\$'000)	Credit line (US\$'000)
		Interest	Cash		
		derecognized (US\$'000)	withdrawn (US\$'000)		
Taishin					
International Bank	-	\$ 23,059	\$ -	\$ 23,059	\$ 150,000
BNP Paribas	-	1,858	-	1,858	105,000
CHB	-	133	-	133	1,200
CTBC	-	-	-	-	300
SinoPac	-	-	-	-	10,000
Total		<u>\$ 25,050</u>	<u>\$ -</u>	<u>\$ 25,050</u>	<u>\$ 266,500</u>

B. As of December 31, 2024:

The Factor (Transferee)	Interest Rate (%)	Trade		Unutilized (US\$'000)	Credit line (US\$'000)
		Interest	Cash		
		derecognized (US\$'000)	withdrawn (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)****(8) Inventories**

	December 31, 2025	December 31, 2024
Raw materials	\$ 1,240,730	\$ 566,052
Work in progress	31,800,638	18,004,851
Finished goods	10,066,268	9,042,716
Total	<u>\$ 43,107,636</u>	<u>\$ 27,613,619</u>

The Company's operating costs are all related to inventories, including the reversals of write-downs recognized when the circumstances that previously caused inventories to be written down below cost no longer exist, were as follows:

	For the years ended December 31	
	2025	2024
Reversals of write-downs of inventories	<u>\$ 921,399</u>	<u>\$ 2,797,048</u>

(9) Prepayments

	December 31, 2025	December 31, 2024
Prepaid expenses	\$ 448,781	\$ 502,174
Others	5,044,087	7,363,265
Total	<u>\$ 5,492,868</u>	<u>\$ 7,865,439</u>

(10) Investments accounted for using the equity method

	December 31, 2025		December 31, 2024	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Subsidiaries:				
MediaTek Investment Singapore Pte. Ltd.	\$ 209,141,601	100	\$ 219,557,269	100

(To be continued)

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

(Continued)

Investees	December 31, 2025		December 31, 2024	
	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Hsu-Ta Investment Corp.	\$ -	-	\$ -	-
MediaTek Singapore Pte. Ltd.	69,948,366	100	83,579,643	100
MStar Co., Ltd.	185,946	100	156,793	100
HFI Innovation Inc.	2,357,742	100	2,262,407	100
Spidcom Technologies	-	100	-	100
Richtek Technology Corp.	16,611,762	100	16,639,678	100
Airoha Technology Corp.	14,074,499	66	13,518,376	66
MediaTek Capital Co.	10,213,148	100	9,415,520	100
Hsu-Yuan Investment Corp.	2,465,016	100	2,451,311	100
MediaTek Research UK Limited	66,534	100	52,227	100
MediaTek Bangalore Private Limited	1,241,826	100	1,275,673	100
MediaTek Japan Inc.	52,611	100	44,655	100
MediaTek Korea Inc.	268,347	100	201,178	100
IC PLUS Corp.	1,118,460	14	1,136,933	14
Subtotal	<u>327,745,858</u>		<u>350,291,663</u>	
Investments in associates:				
IC PLUS Corp.	-	-	-	-
Intellectual Property Innovation Corp.	-	-	-	-
Subtotal	<u>-</u>		<u>-</u>	
Total	<u>\$ 327,745,858</u>		<u>\$ 350,291,663</u>	

MediaTek Investment Singapore Pte. Ltd. reduced its capital by USD\$131,000 thousand and USD\$662,000 thousand as of December 31, 2025 and 2024.

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Airoha Technology Corp. increased capital by cash in the first half year of 2024. 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%.

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.

(11)Property, plant and equipment

	December 31, 2025	December 31, 2024
Owner-occupied property, plant and equipment	<u>\$ 35,864,388</u>	<u>\$ 33,511,820</u>

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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, 2025	\$ 7,348,942	\$ 16,295,628	\$ 1,519,885	\$ 12,695,635	\$ 17,197,850	\$ 11,239,153	\$ 611,516	\$ 66,908,609
Additions-acquired separately	-	51,101	1,336,486	1,662,205	1,402,003	4,385,653	2,221,970	11,059,418
Disposals	-	(1,744)	-	(363,573)	(217,913)	(99,704)	-	(682,934)
Transfers	-	-	-	-	28,253	-	(28,819)	(566)
As of December 31, 2025	7,348,942	16,344,985	2,856,371	13,994,267	18,410,193	15,525,102	2,804,667	77,284,527
Depreciation and impairment:								
As of January 1, 2025	-	5,594,448	343,516	10,215,795	10,380,974	6,862,056	-	33,396,789
Depreciation	-	412,632	374,937	1,849,567	1,998,566	4,041,707	-	8,677,409
Disposals	-	(1,167)	-	(363,573)	(200,575)	(88,744)	-	(654,059)
As of December 31, 2025	-	6,005,913	718,453	11,701,789	12,178,965	10,815,019	-	41,420,139
Net carrying amount as of:								
December 31, 2025	\$ 7,348,942	\$ 10,339,072	\$ 2,137,918	\$ 2,292,478	\$ 6,231,228	\$ 4,710,083	\$ 2,804,667	\$ 35,864,388

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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)**

The amount of the Company's capitalized depreciation expense and interest expense arising from right-of-use assets and lease liabilities and the interest rate of the capitalization were as follows:

	For the years ended December 31	
	2025	2024
Capitalized depreciation expense	\$ 28,481	\$ -
Capitalized interest expense	\$ 13,097	\$ -
Interest rate of the capitalization	0.925%~2.235%	-

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

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

a. Right-of-use asset

	December 31, 2025	December 31, 2024
Land	\$ 1,599,802	\$ 1,662,230
Buildings and facilities	275,664	367,714
Machinery equipment	380,413	133,015
Transportation equipment	5,711	145
Total	<u>\$ 2,261,590</u>	<u>\$ 2,163,104</u>

During the years ended December 31, 2025 and 2024, the additions to right-of-use assets of the Company amounted to NT\$519,842 thousand and NT\$173,001 thousand, respectively.

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

b. Lease liability

	December 31, 2025	December 31, 2024
Lease liability-current	\$ 391,103	\$ 281,600
Lease liability-noncurrent	1,872,780	1,944,099
Total	<u>\$ 2,263,883</u>	<u>\$ 2,225,699</u>

Please refer to Note 6. (26) for the interest on lease liability recognized during the years ended December 31, 2025 and 2024 and Note 12. (2) C. for the maturity analysis of lease liabilities.

The Company capitalized certain depreciation and interest expenses during the years ended December 31, 2025 and 2024. Please refer to Note 6. (11) for related information.

c. Depreciation charge for right-of-use assets

	For the years ended December 31	
	2025	2024
Land	\$ 15,556	\$ 44,538
Buildings and facilities	176,545	176,021
Machinery equipment	161,014	113,153
Transportation equipment	880	2,111
Total	<u>\$ 353,995</u>	<u>\$ 335,823</u>

d. Income and costs relating to leasing activities

	For the years ended December 31	
	2025	2024
The expense relating to short-term leases	<u>\$ 37,395</u>	<u>\$ 27,313</u>
The expense relating to leases of low-value assets (excluding the expense relating to short-term leases of low-value assets)	<u>\$ 4,551</u>	<u>\$ 3,221</u>
Income from subleasing right-of-use assets	<u>\$ 24,961</u>	<u>\$ 23,536</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

e. Cash outflow relating to leasing activities

During the years ended December 31, 2025 and 2024, the Company's total cash outflows for leases amounted to NT\$507,670 thousand and NT\$369,247 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	
	2025	2024
Lease income from operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	\$ 77,563	\$ 84,522
Lease income from finance leases		
Finance income on the net investment in the lease	7,251	18,961
Total	<u>\$ 84,814</u>	<u>\$ 103,483</u>

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, 2025 and 2024 were as follows:

	December 31, 2025	December 31, 2024
Not later than one year	\$ -	\$ 735,143
Later than one year and not later than two years	-	-
Total non-discounted lease payments	-	735,143
Less: unearned finance income of finance lease	-	(7,251)
Less: allowance for doubtful debts	-	-
Net investment in the finance lease (receivable of a finance lease)	\$ -	\$ 727,892
Current	\$ -	\$ 727,892
Noncurrent	\$ -	\$ -

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(13) Intangible assets

	Software	Patents, IPs and others	Goodwill	Total
Cost:				
As of January 1, 2025	\$ 524,360	\$ 17,862,159	\$ 52,604,453	\$ 70,990,972
Additions-acquired separately	129,273	4,550,622	-	4,679,895
Disposals	(200,491)	(1,471,348)	-	(1,671,839)
As of December 31, 2025	453,142	20,941,433	52,604,453	73,999,028
Amortization and impairment:				
As of January 1, 2025	289,622	9,213,502	-	9,503,124
Amortization	206,286	5,932,265	-	6,138,551
Disposals	(200,491)	(1,471,348)	-	(1,671,839)
As of December 31, 2025	295,417	13,674,419	-	13,969,836
Net carrying amount as of:				
December 31, 2025	\$ 157,725	\$ 7,267,014	\$ 52,604,453	\$ 60,029,192

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, 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)

(14) 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.

(15) Other payables

	December 31, 2025	December 31, 2024
Accrued salaries and bonuses	\$ 24,430,822	\$ 27,708,068
Accrued royalties	156,250	1,426,713
Dividends payable	46,513,389	46,448,952
Others	13,764,331	14,821,363
Total	<u>\$ 84,864,792</u>	<u>\$ 90,405,096</u>

(16) Other current liabilities

	December 31, 2025	December 31, 2024
Refund liabilities (Note)	\$ 41,471,524	\$ 40,863,905
Others	1,813,672	878,255
Total	<u>\$ 43,285,196</u>	<u>\$ 41,742,160</u>

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

(17) Post-employment benefits plansDefined 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, 2025 and 2024 were NT\$1,158,943 thousand and NT\$1,119,803 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\$46,195 thousand to its defined benefit plan during the 12 months after December 31, 2025.

The weighted average duration of the defined benefit obligations were 12 years and 13 years as of December 31, 2025 and 2024, respectively.

Pension costs recognized in profit or loss were as follows:

	For the years ended December 31	
	2025	2024
Current service cost	\$ 764	\$ 1,212
Net interest on the net defined benefit liabilities	6,661	6,258
Total	<u>\$ 7,425</u>	<u>\$ 7,470</u>

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

	December 31, 2025	December 31, 2024
Defined benefit obligation	\$ 651,613	\$ 646,096
Plan assets at fair value	(271,328)	(219,114)
Net defined benefit liabilities	<u>\$ 380,285</u>	<u>\$ 426,982</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, 2025	\$ 646,096	\$ (219,114)	\$ 426,982
Current service cost	764	-	764
Interest expenses (income)	10,079	(3,418)	6,661
Subtotal	10,843	(3,418)	7,425
Remeasurements of the defined benefit liabilities/assets:			
Actuarial gains and losses arising from changes in financial assumptions	13,122	-	13,122
Experience adjustments	(2,831)	-	(2,831)
Remeasurements of the defined benefit assets	-	(15,081)	(15,081)
Subtotal	10,291	(15,081)	(4,790)
Payment of benefit obligation	(15,617)	15,617	-
Contributions by employer	-	(49,332)	(49,332)
As of December 31, 2025	\$ 651,613	\$ (271,328)	\$ 380,285

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, 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

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

	December 31, 2025	December 31, 2024
Discount rate	1.40%	1.56%
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			
	2025		2024	
	Defined benefit obligation increase	Defined benefit obligation decrease	Defined benefit obligation increase	Defined benefit obligation decrease
Discount rate increases by 0.5%	\$ -	\$ (33,753)	\$ -	\$ (35,394)
Discount rate decreases by 0.5%	43,115	-	45,887	-
Rate of future salary increases by 0.5%	42,635	-	45,450	-
Rate of future salary decreases by 0.5%	-	(33,727)	-	(35,414)

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

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

(18) Other non-current liabilities

	December 31, 2025	December 31, 2024
Provisions	\$ -	\$ -
Others	926,688	855,174
Total	<u>\$ 926,688</u>	<u>\$ 855,174</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)

(19) Equity

A. Share capital

	December 31, 2025	December 30, 2024
Authorized shares (in thousands)	2,000,000	2,000,000
Authorized capital	\$ 20,000,000	\$ 20,000,000
Issued and paid shares (in thousands)	1,603,912	1,601,688
Issued capital	\$ 16,039,122	\$ 16,016,880

The par value of issued common shares is NT\$10 per share. Each share has one voting right and a right to receive dividends.

The authorized shares include 20,000 thousand shares allocated for the exercise of employee stock options.

On May 27, 2024, the general shareholders' meeting approved to issue restricted stocks for employees. As of December 31, 2025, 4,639,479 shares of restricted stocks for employees were issued. Relevant regulators' approvals have been obtained and related registration processes have been completed.

The Company has redeemed and cancelled 55,940 shares and 318,874 shares of issued restricted stocks for employees during the years ended December 31, 2025 and 2024, respectively. Relevant regulators' approvals have been obtained and related registration processes have been completed.

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

	December 31, 2025	December 31, 2024
Additional paid-in capital	\$ 6,676,456	\$ 5,303,435
Treasury share transactions	4,058,999	3,638,117
The difference between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	6,942,948	6,942,770
Changes in ownership interests in subsidiaries	8,280,276	8,280,276
Donated assets	1,261	1,261
Share of changes in net assets of associates	4,799,848	4,466,121
Restricted stocks for employees	3,306,023	2,512,751
Others	533,913	491,322
Total	<u>\$ 34,599,724</u>	<u>\$ 31,636,053</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, 2025 and 2024, 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, 2025 and 2024, 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 of fiscal year. The Board of Directors shall prepare relevant proposals per applicable laws and regulations and the procedures and principles specified in the Articles of Incorporation and report such proposals to the shareholders' meeting or submit the same to the shareholders' meeting for review and approval by a resolution.

When allocating the profits, 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 2025 and 2024 were resolved by the Board of Directors' meeting. The details of the distribution were as follows :

	Second half year of 2025	First half year of 2025
Board of Directors' meeting	February 26, 2026	October 31, 2025
Legal reserve(Note)	\$ 4,858,537	\$ 5,760,134
Cash dividends-common stock	\$ 39,295,655	\$ 46,513,389
Dividends per share (NT\$)	\$ 24.5	\$ 29.0

	Second half year of 2024	First half year of 2024
Board of Directors' meeting	February 27, 2025	October 30, 2024
Legal reserve	\$ 4,951,119	\$ 5,702,090
Cash dividends-common stock	\$ 40,041,559	\$ 46,448,952
Dividends per share (NT\$)	\$ 25.0	\$ 29.0

Note: Legal reserve for 2025 is subject to the resolution of general shareholders' meeting which will be held in 2026.

(20) Share-based payment plans

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

Restricted stock plan for employees

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 and 2,280,132 gratuitous restricted stocks on August 23, 2024 and August 22, 2025, respectively. The issuance process was granted effective registration by the securities authority.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

The fair value of the restricted stocks issued was NT\$1,090.09~NT\$1,225 and NT\$1,117~NT\$1,365 per share, respectively. The estimated compensation expenses amounted to NT\$ 4,808,126 thousand in total based on the vesting conditions and will be recognized during the vesting period. As of December 31, 2025, MTK had recognized NT\$2,836,584 thousand as compensation expense and NT\$1,933,141 thousand as unearned employee compensation, which were recorded under salary expense, share of profit of subsidiaries, associates and joint ventures accounted for using the equity method and other equity, respectively.

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

	Restricted stock plan for employees
Expected volatility (%)	36.46%~38.47%
Risk free interest rate (%)	1.176%~1.32%
Pricing Approach	Monte Carlo Simulation

Restrictions on the rights and vesting conditions of the first restricted stocks for employees under the 2024 plan are as follows:

- A. To issue common shares of MTK with gratuitous issue price.
- B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, non-competition clause, confidentiality agreement or policies and achievement of both personal performance criteria and the Company's performance target during the vesting period, are eligible to receive the vested shares. The vesting period of the plan is two years. The maximum portions of the vesting shares of 2025 are 50%, and the cumulative maximum portions of vesting shares for two years from 2025 to 2026 are 100%. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's performance target.
- C. During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.
- D. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting, etc., are the same as those of the common shareholders', and the rights will be exercised by the custodian organizations according to the trust contracts.

Restrictions on the rights and vesting conditions of the second restricted stocks for employees under the 2024 plan are as follows:

- A. To issue common shares of MTK with gratuitous issue price.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- B. Employee's continuous employment with the Company through the vesting dates, with no violation on any terms of the Company's employment agreement, employee handbook, non-competition clause, confidentiality agreement or policies and achievement of both personal performance criteria and the Company's performance target during the vesting period, are eligible to receive the vested shares. The vesting period of the plan is two years. The maximum portions of the vesting shares of 2026 are 50%, and the cumulative maximum portions of vesting shares for two years from 2026 to 2027 are 100%. The actual portions of the vesting shares shall be determined by achievement of both personal performance and the Company's performance target.
- C. During the vesting period, employees may not sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, restricted employee shares, excluding inheritance.
- D. During the vesting period, the rights of attending shareholders' meeting, proposal, speech, resolution and voting, etc., are the same as those of the common shareholders', and the rights will be exercised by the custodian organizations according to the trust contracts.

Share-based compensation expenses recognized for the years ended December 31, 2025 and 2024 were shown in the following table:

	For the years ended December 31	
	2025	2024
Restricted stocks for employees	\$ 1,699,241	\$ 970,196

The Company did not modify or cancel any share-based payment plans for the years ended December 31, 2025 and 2024.

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(21) Sales**

Analysis of revenue from contracts with customers was as follows:

A. Disaggregation of revenue

	For the years ended December 31	
	2025	2024
Sale of goods	\$ 319,246,812	\$ 269,578,696
Services and other operating revenue	15,100,534	10,860,188
Total	<u>\$ 334,347,346</u>	<u>\$ 280,438,884</u>
Revenue recognition point:		
At a point in time	\$ 327,793,794	\$ 275,568,978
Satisfies the performance obligation over time	6,553,552	4,869,906
Total	<u>\$ 334,347,346</u>	<u>\$ 280,438,884</u>

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

	December 31, 2025	December 31, 2024	January 1, 2024
Sale of goods	\$ 874,077	\$ 892,826	\$ 1,464,686
Services and other operating revenue	6,028,234	3,126,878	1,761,109
Total	<u>\$ 6,902,311</u>	<u>\$ 4,019,704</u>	<u>\$ 3,225,795</u>

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2025 and 2024 were as follows:

	For the years ended December 31	
	2025	2024
Revenue recognized during the period that was included in the beginning balance	<u>\$ 2,103,038</u>	<u>\$ 2,175,544</u>
Increase in receipt in advance during the period (deducting the amount incurred and transferred to revenue during the period)	<u>\$ 4,985,642</u>	<u>\$ 2,969,446</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, 2025 and 2024, no disclosure of the unsatisfied performance obligations was needed as the contract terms with customers for the sales of goods are all shorter than one year; besides, the summarized amounts of transaction price allocated to unsatisfied performance obligations for rendering services were NT\$15,040,137 thousand and NT\$3,527,985 thousand, respectively. The Company recognizes revenue in accordance with the stage of completion of the contracts. Those contracts are expected to be completed within the next 1 to 2 years.

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

	For the years ended December 31					
	2025			2024		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Pension	\$ 30,695	\$ 1,135,673	\$ 1,166,368	\$ 35,216	\$ 1,092,057	\$ 1,127,273
Others	\$ 836,539	\$ 59,154,041	\$ 59,990,580	\$ 994,760	\$ 58,979,194	\$ 59,973,954
Depreciation	\$ 418,395	\$ 8,613,009	\$ 9,031,404	\$ 336,239	\$ 7,576,373	\$ 7,912,612
Amortization	\$ 10,105	\$ 6,128,446	\$ 6,138,551	\$ 7,257	\$ 5,262,980	\$ 5,270,237

According to the Articles of Incorporation of MTK, no less than 1% of the current year's profit is distributable as employees' compensation (of the amount so allocated as employees' compensation, no less than 50% shall be allocated to the non-executive employees) and no more than 0.5% as remuneration to directors, provided that MTK's accumulated losses shall have been covered in advance. MTK may distribute the profit as employees' compensation in the form of shares or cash.

The Company accrued employees' compensation and remuneration to directors based on a specific rate of profit for the years ended December 31, 2025 and 2024. If the estimated amounts differ from the actual distribution resolved by the Board of Directors, 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

A resolution was approved in a meeting of the Board of Directors held on February 26, 2026 and February 27, 2025 to distribute cash as employees' compensation and remuneration to directors were as follows:

	For the years ended December 31	
	2025	2024
Employees' compensation	\$ 1,392,288	\$ 1,382,436
Remuneration to directors	\$ 103,000	\$ 101,000

There was no difference between aforementioned approved amounts and the amounts charged against earnings in 2025 and 2024.

(23)Interest income

	For the years ended December 31	
	2025	2024
Financial assets measured at amortized cost	\$ 3,395,610	\$ 2,795,928
Financial assets at fair value through other comprehensive income	82,680	78,961
Total	\$ 3,478,290	\$ 2,874,889

(24)Other income

	For the years ended December 31	
	2025	2024
Rental income	\$ 77,563	\$ 84,522
Dividend income	139,713	133,709
Others	401,656	132,626
Total	\$ 618,932	\$ 350,857

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(25) Other gains and losses

	For the years ended December 31	
	2025	2024
Gains on disposal of property, plant and equipment	\$ 45,988	\$ 6,966
Gains on disposal of investments		
Investments accounted for using the equity method	-	871,693
Financial assets measured at amortized cost	-	32,397
Foreign exchange gains (losses)	728,782	(1,592,762)
Net (losses) gains on financial instruments at fair value through profit or loss	(448,189)	2,386,991
Others (Note)	4,032,911	(6,925)
Total	<u>\$ 4,359,492</u>	<u>\$ 1,698,360</u>

Note: The content includes the gains recognized from the sale of the Company's assets related to discrete timing controller (Discrete TCON) and the licensing of related technologies.

(26) Finance costs

	For the years ended December 31	
	2025	2024
Interest expenses on borrowings	\$ 452,107	\$ 119,657
Interest expenses on lease liabilities	22,946	35,165
Total	<u>\$ 475,053</u>	<u>\$ 154,822</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, 2025:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 4,790	\$ -	\$ 4,790	\$ (958)	\$ 3,832
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	(214,520)	-	(214,520)	-	(214,520)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(8,070,369)	-	(8,070,369)	-	(8,070,369)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(9,507,667)	11,662	(9,496,005)	-	(9,496,005)
Unrealized gains (losses) from debt instrument investments measured at fair value through other comprehensive income	(1,216)	-	(1,216)	-	(1,216)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	13,775	89	13,864	-	13,864
Total	\$ (17,775,207)	\$ 11,751	\$ (17,763,456)	\$ (958)	\$ (17,764,414)

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:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax effect	Other comprehensive income, net of tax
Not to be reclassified to profit or loss:					
Remeasurements of the defined benefit plan	\$ 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)****(28) Income tax**

The major components of income tax expense were as follows:

	For the years ended December 31	
	2025	2024
Current income tax	\$ 6,215,092	\$ 688,947
Deferred tax	(295,916)	3,464,189
Others	41,582	103,840
Income tax expense recognized in profit or loss	<u>\$ 5,960,758</u>	<u>\$ 4,256,976</u>

Income tax recognized in other comprehensive income

	For the years ended December 31	
	2025	2024
Deferred tax:		
Remeasurements of defined benefit plans	<u>\$ 958</u>	<u>\$ 11,434</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	
	2025	2024
Accounting profit before tax from continuing operations	<u>\$ 111,280,013</u>	<u>\$ 110,643,554</u>
Tax at the domestic rates applicable to profits in the country concerned	\$ 22,256,003	\$ 22,128,711
Tax effect of revenue exempt from taxation	21,339	(3,094)
Investment tax credits	(5,380,865)	(2,849,757)
Tax effect of deferred tax assets/liabilities	(10,867,029)	(13,550,665)
Others	(68,690)	(1,468,219)
Total income tax expense recognized in profit or loss	<u>\$ 5,960,758</u>	<u>\$ 4,256,976</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, 2025

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Temporary differences				
Unrealized allowance for inventory obsolescence	\$ 2,334,793	\$ 28,561	\$ -	\$ 2,363,354
Allowance for sales discounts and returns	4,346,299	1,246,619	-	5,592,918
Amortization of difference for tax purpose	756,127	211,972	-	968,099
Amortization of goodwill difference for tax purpose	(5,390,696)	(686,653)	-	(6,077,349)
Others	(1,718,935)	(504,583)	(958)	(2,224,476)
Deferred tax		<u>\$ 295,916</u>	<u>\$ (958)</u>	
Net deferred tax assets	<u>\$ 327,588</u>			<u>\$ 622,546</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$ 8,383,668</u>			<u>\$ 9,185,185</u>
Deferred tax liabilities	<u>\$ (8,056,080)</u>			<u>\$ (8,562,639)</u>

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 discounts and returns	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		<u>\$ (3,464,189)</u>	<u>\$ (11,434)</u>	
Net deferred tax assets	<u>\$ 3,803,211</u>			<u>\$ 327,588</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$ 10,028,618</u>			<u>\$ 8,383,668</u>
Deferred tax liabilities	<u>\$ (6,225,407)</u>			<u>\$ (8,056,080)</u>

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

As of December 31, 2025, the income tax returns of the Company have been assessed and approved up to 2023.

(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	
	2025	2024
A. Basic earnings per share		
Profit (in thousand NT\$)	\$ 105,319,255	\$ 106,386,578
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,591,949,347	1,589,670,990
Basic earnings per share (NT\$)	\$ 66.16	\$ 66.92
B. Diluted earnings per share		
Profit (in thousand NT\$)	\$ 105,319,255	\$ 106,386,578
Weighted average number of ordinary shares outstanding for basic earnings per share (share)	1,591,949,347	1,589,670,990
Effect of dilution:		
Employees' compensation-stock (share)	1,112,017	1,126,586
Restricted stocks for employees (share)	1,990,413	2,248,160
Weighted average number of ordinary shares outstanding after dilution (share)	1,595,051,777	1,593,045,736
Diluted earnings per share (NT\$)	\$ 66.03	\$ 66.78

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

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
Mediatek China Limited	Subsidiary
Richtek Technology Corp.	Subsidiary
Zelus (Shenzhen) Technology Ltd.	Subsidiary
Airoha Technology (Suzhou) Limited	Subsidiary
HFI Innovation Inc.	Subsidiary
MediaTek Communication (Hefei) Co., Ltd. (Note1)	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
Mlink Egypt	Subsidiary
AMobile Solutions Corp.	Associate
Intelligo Technology Inc. and its subsidiaries	Associate
Sigmastar Technology Ltd. and its subsidiaries	Associate
(To be continued)	

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(Continued)

<u>Name of the related parties</u>	<u>Nature of relationship of the related parties</u>
Intellectual Property Innovation Corp. (Note2)	Associate
IC PLUS Corp. (Note 3)	Associate
Zilltek Technology Co.	Associate
King Yuan Electronics Co., Ltd. and its subsidiaries (Note4)	Substantive related party

Note :

1. Nephos (Hefei) Co., Ltd. was renamed MediaTek Communication (Hefei) Co., Ltd. in September 2025.
2. 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.
3. IC PLUS Corp. was no longer an associate after the Company obtained control over it on July 1, 2024.
4. King Yuan Electronics Co., Ltd. completed the disposal of its entire shareholding in King Long Technology (Suzhou) Co., Ltd. in February 2025. Accordingly, King Long Technology (Suzhou) Co., Ltd. was no longer a substantive related party since that month.

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

(1) Sales

		For the years ended December 31	
		2025	2024
<u>Sale of goods</u>			
Subsidiaries			
MediaTek Singapore Pte. Ltd.	\$	127	\$ 4,717,761
Other		96,142	325,256
Associates		273,151	109,678
Subtotal		369,420	5,152,695
<u>Services and other operating revenue</u>			
Subsidiaries			
MediaTek Singapore Pte. Ltd.		6,623,528	4,292,055
Other		240,345	515,145
Associates		45,836	1,608
Subtotal		6,909,709	4,808,808
Total	\$	7,279,129	\$ 9,961,503

The trade credit terms for related parties were 30 to 45 days, and third-party customers were 30 to 90 days. Third-party 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	
		2025	2024
Subsidiaries			
Richtek Technology Corp.	\$	746,380	\$ 44,783
Other		427	-
Total	\$	746,807	\$ 44,783

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	
	2025	2024
Substantive related party		
King Yuan Electronics Co., Ltd. and its subsidiaries	\$ 5,091,882	\$ 3,683,560

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	
	2025	2024
Subsidiaries		
MediaTek USA Inc.	\$ 13,777,507	\$ 13,217,836
MediaTek Bangalore Private Limited	3,099,172	2,887,544
Other	3,555,359	3,433,758
Associates	28,627	41,307
Total	\$ 20,460,665	\$ 19,580,445

(5) Rental income

	For the years ended December 31	
	2025	2024
Subsidiaries		
Airoha Technology Corp.	\$ 1,548	\$ 10,681
Other	190	229
Associates		
Sigmastar Technology Ltd. and its subsidiaries	921	906
Total	\$ 2,659	\$ 11,816

The Company leased office to related parties. The lease terms and prices were both determined in accordance with mutual agreements. The rental income was collected from related parties monthly.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(6) Other income from equipment usage and management services

	For the years ended December 31	
	2025	2024
Subsidiaries		
MediaTek Singapore Pte. Ltd.	\$ 177,280	\$ -
HFI Innovation Inc.	1,000	1,000
Airoha Technology Corp.	516	802
Other	21,078	-
Associates	-	30
Substantive related party		
King Yuan Electronics Co., Ltd. and its subsidiaries	-	3,928
Total	<u>\$ 199,874</u>	<u>\$ 5,760</u>

(7) Endorsement amount for bank financing

	December 31, 2025		December 31, 2024	
	Endorsement limit	Actual amount	Endorsement limit	Actual amount
Subsidiaries				
Gaintech Co. Limited	\$ 24,000,000	\$ -	\$ 24,000,000	\$ -
MediaTek China Limited	9,000,000	-	9,000,000	-
Total	<u>\$ 33,000,000</u>	<u>\$ -</u>	<u>\$ 33,000,000</u>	<u>\$ -</u>

(8) Trade receivables from related parties

	December 31, 2025	December 31, 2024
Subsidiaries		
MediaTek Singapore Pte. Ltd.	\$ 504,726	\$ 297,833
Airoha Technology Corp.	197,908	137,416
MediaTek Communication (Heifei) Co., Ltd.	177,951	185,543
Other	3,709	16,419
Associates	24,117	2,147
Total	<u>\$ 908,411</u>	<u>\$ 639,358</u>

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****(9) Other receivables from related parties**

	December 31, 2025	December 31, 2024
Subsidiaries		
MediaTek Investment Singapore Pte. Ltd.	\$ 4,716,600	\$ 22,151,168
Other	324,353	324,313
Total	<u>\$ 5,040,953</u>	<u>\$ 22,475,481</u>

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

(10) Contract liabilities-current

	December 31, 2025	December 31, 2024
Subsidiaries	\$ 2	\$ -
Associates		
Intelligo Technology Inc. and its subsidiaries	47,674	-
Other	1,638	-
Total	<u>\$ 49,314</u>	<u>\$ -</u>

(11) Trade payables to related parties

	December 31, 2025	December 31, 2024
Subsidiaries		
Airoha Technology Corp.	\$ 359,559	\$ 635,505
Other	216,176	61,166
Associates	1	-
Substantive related party		
King Yuan Electronics Co., Ltd. and its subsidiaries	1,699,572	1,109,145
Total	<u>\$ 2,275,308</u>	<u>\$ 1,805,816</u>

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

(12) Other payables to related parties

	December 31, 2025	December 31, 2024
Subsidiaries		
MediaTek USA Inc.	\$ 1,346,865	\$ 1,436,511
MediaTek Bangalore Private Limited	230,577	256,203
Other	405,976	437,098
Associates	12,721	17,355
Total	<u>\$ 1,996,139</u>	<u>\$ 2,147,167</u>

(13) Long-term payables to related parties

	December 31, 2025	December 31, 2024
Subsidiaries		
Gaintech Co. Limited	<u>\$ 65,717,960</u>	<u>\$ 68,485,120</u>

Financing provided to others for the year ended December 31, 2025.

Name of the related parties	Ending Limit	Ending Balance	Total interest for the year	Interest Rate
Gaintech Co. Limited	\$ 97,161,960	\$ 65,717,960	\$ -	-

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, 2025	December 31, 2024
Subsidiaries	\$ 195	\$ 3,160
Associates		
Intelligo Technology Inc. and its subsidiaries	365,090	-
Total	<u>\$ 365,285</u>	<u>\$ 3,160</u>

(15) Deposits received

	December 31, 2025	December 31, 2024
Subsidiaries		
Airoha Technology Corp.	\$ 576	\$ 571
Associates		
Sigmaster Technology Ltd. and its subsidiaries	161	161
Total	<u>\$ 737</u>	<u>\$ 732</u>

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

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

(18) Key management personnel compensation

	For the years ended December 31	
	2025	2024
Short-term employee benefits (Note)	\$ 2,166,354	\$ 3,137,303
Share-based payment	422,726	239,978
Post-employment benefits	2,655	1,832
Total	<u>\$ 2,591,735</u>	<u>\$ 3,379,113</u>

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

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

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

Assets pledged as collateral	Carrying amount		Purpose of pledge
	December 31, 2025	December 31, 2024	
Financial assets measured at amortized cost-noncurrent	\$ 26,000	\$ 24,000	Customs clearance deposits
Financial assets measured at amortized cost-noncurrent	89,279	88,579	Land lease guarantee
Total	<u>\$ 115,279</u>	<u>\$ 112,579</u>	

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

A. The Company entered into capacity reservation contracts with several suppliers. According to the contracts, the suppliers shall provide agreed production capacity with the Company after prepayments are made by the Company. As of December 31, 2023, the Company had written off certain unrecoverable prepayments and accrued provisions for certain unfulfillable contract obligations. As of December 31, 2024, the Company has revised certain agreements with suppliers and assessed that the reasons for the previously deemed irrecoverable refundable deposits no longer exist. Accordingly, the related provisions have been reversed, and the refundable deposits previously written off have been reinstated.

B. The Company entered into long-term energy purchase agreements with several suppliers. The relative fulfillment period, quantity and price were specified in the agreements.

(2) Legal claim contingency

A. Koninklijke Philips N.V., and Philips North America LLC (“Philips”) filed a complaint in the United States District Court for the District of Delaware against 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. The Court entered final judgement in favor of MediaTek on August 15, 2025. MCP appealed to the United States Court of Appeals for the Federal Circuit on August 22, 2025.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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. 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.

E. 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. Pursuant to the parties' joint motion to terminate, the court dismissed the case against the Company and its subsidiaries MediaTek USA Inc. on June 6, 2025.

F. Daedalus Prime LLC filed a complaint in the Dusseldorf Regional Court of Germany and in the Local Division Hamburg of the Unified Patent Court against the Company on April 9, 2024 and March 21, 2024, alleging infringement of German Patent Nos. DE112012003701B4, DE112012005210B4 and European Patent Nos EP2792100 B1. Pursuant to the parties' joint motion to terminate, the court dismissed the case against the Company on June 16, 2025, and July 3, 2025.

Daedalus Prime LLC filed a complaint in the United States District Court for the Eastern District of Texas against 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, and 8,769,316. Pursuant to the parties' joint motion to terminate, the court dismissed the case against the Company on May 22, 2025.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

G. Huawei Technologies Co., Ltd. and Huawei Device Co., Ltd. filed complaints in the People's Republic of China for the Shenzhen Intermediate People's Court against 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.

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.

Huawei Technologies Co., Ltd. and Beijing Huawei Digital Technologies Co., Ltd. filed complaints in the Beijing Intellectual Property Court against the Company on August 19, 2024, alleging infringement of China Patent No. 202010304810.1.

Huawei Technologies Co., Ltd. and Shanghai Huawei Technologies Co., Ltd. filed complaints in the Beijing Intellectual Property Court against the Company on August 19, 2024, alleging infringement of China Patent No. 201711073264.X.

Huawei Technologies Co., Ltd. filed complaints in the Munich District Court of Germany against the Company and subsidiary MediaTek Germany GmbH on February 17, 2025, alleging infringement of European Patent Nos. EP3755052B1 and EP3707950B1.

Huawei Technologies Co., Ltd. filed complaints in the Munich District Court of Germany against the Company and subsidiary MediaTek Germany GmbH on February 18, 2025, alleging infringement of European Patent No. EP3582398B1.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Huawei Technologies Co., Ltd. filed complaints in the Mannheim District Court of Germany against the Company and subsidiary MediaTek Germany GmbH on February 17, 2025, alleging infringement of European Patent Nos. EP3624506B1 and EP3745767B1.

Huawei Technologies Co., Ltd. filed complaints in the Local Division Munich of the Unified Patent Court against the Company and subsidiary MediaTek Germany GmbH on March 24, 2025, alleging infringement of European Patent Nos. EP3905840B1 and EP4142215B1.

Huawei Technologies Co., Ltd. filed complaints in the Local Division Mannheim of the Unified Patent Court against the Company and subsidiary MediaTek Germany GmbH on March 24, 2025, alleging infringement of European Patent No. EP3567731B1.

Huawei Technologies Co., Ltd. filed complaints in the 4th Business Court of the Capital District of Rio de Janeiro State Court against the Company on March 31, 2025, alleging infringement of Brazilian Patent No. BR 122014030928-7.

Huawei Technologies Co., Ltd. filed complaints in the 1st Business Court of the Capital District of Rio de Janeiro State Court against the Company on March 31, 2025, alleging infringement of Brazilian Patent No. BR 112015013088-7.

Huawei do Brasil Telecomunicações Ltda. and Huawei Technologies Co., Ltd. filed complaints in the 3rd Business Court in São Paulo State Court against the Company on June 9, 2025, claiming non-essentiality and non-infringement of the following Brazilian patents owned by MediaTek and its subsidiary, HFI Innovation Inc.: Nos. BR 11 2019 019932 2 B1, BR 11 2019 002841 2 B1, BR 11 2017 006485 5 B1, BR 11 2019 019944 6 A2, BR 11 2019 002835 8 A2, BR 11 2017 017001 9, BR 11 2017 022436 4, BR 11 2018 002836 3 B1, BR 11 2013 023126 2 B1, and BR 11 2017 006378 6.

Huawei Technologies Co., Ltd. and the Company have reached a settlement. Pursuant to the parties' agreement, the above-mentioned cases are being withdrawn or dismissed by the court.

H. 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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- I. Freedom Patents LLC filed a complaint in the United States District Court for the Eastern District of Texas against the Company on April 24, 2025, alleging infringement of U.S. Patent Nos. 8,284,686, 8,374,096, 8,514,815. Pursuant to the Plaintiff's motion for voluntary dismissal, the court dismissed the claims against the Company on November 20, 2025.
- J. Array Cache Technologies, LLC filed a complaint in the United States District Court for the Eastern District of Texas against the Company on June 30, 2025, alleging infringement of U.S. Patent No. 11,334,485.
- K. Beijing Jingshi Intellectual Property Management Co., Ltd. filed complaints in the People's Republic of China for the Shanghai Intellectual Property Court against the Company, MediaTek (Shenzhen) Inc. and MediaTek (Shanghai) Inc. on December 9, 2024, requesting for a ruling of rate setting.

Except for cases that were dismissed or terminated (cases C, E, F, G, H, I), the Company is unable to determine the outcome of the above matters at this time as these matters are currently pending; further evaluations will be conducted on a continuous basis. The Company will handle these cases carefully.

10. Losses due to Major Disasters

None

11. Significant Subsequent Events

None

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, 2025	December 31, 2024
Financial assets at fair value through profit or loss:		
Held for trading financial assets	\$ 999	\$ 265,406
Mandatorily measured at fair value through profit or loss (Note 1)	1,434,050	2,236,534
Subtotal	1,435,049	2,501,940
Financial assets at fair value through other comprehensive income	5,293,207	5,996,297
Financial assets measured at amortized cost (Note 2)	164,446,138	139,261,275
Total	\$ 171,174,394	\$ 147,759,512

Financial liabilities

	December 31, 2025	December 31, 2024
Financial liabilities at amortized cost:		
Trade payables (including related parties)	\$ 31,699,155	\$ 25,050,301
Other payables (including related parties)	86,860,931	92,552,263
Long-term payables (including current portion)	71,761,201	75,334,139
Lease liabilities	2,263,883	2,225,699
Total	\$ 192,585,170	\$ 195,162,402

Notes:

- Includes trade receivables classified as financial assets measured at fair value through profit or loss in the amount of NT\$1,434,050 thousand and NT\$653,192 thousand as of December 31, 2025 and 2024, respectively. Please refer to Note 6. (5) for further explanation.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

2. Includes cash and cash equivalents (excluding cash on hand), financial assets measured at amortized cost, trade receivables (excluding financial assets measured at fair value through profit or loss of NT\$1,434,050 thousand and NT\$653,192 thousand as of December 31, 2025 and 2024, respectively. Please refer to Note 6. (5) for further explanation.), other receivables and finance lease receivables, net.

B. Fair values of financial instruments

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

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

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

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

As of December 31, 2025

	Level 1	Level 2	Level 3	Total
<u>Assets measured at fair value:</u>				
Financial assets at fair value through profit or loss				
Forward exchange contracts	\$ -	\$ 999	\$ -	\$ 999
Financial assets at fair value through other comprehensive income				
Equity instruments measured at fair value through other comprehensive income	5,088,334	-	4,873	5,093,207
Debt instruments measured at fair value through other comprehensive income	-	-	200,000	200,000
Total	\$ 5,088,334	\$ 999	\$ 204,873	\$ 5,294,206

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

For the years ended December 31, 2025 and 2024, 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		Total
	Link deposits	Stocks	Bonds	
As of January 1, 2025	\$ 497,340	\$ 4,385	\$ 201,216	\$ 702,941
Amount recognized in profit or loss	(2,340)	-	-	(2,340)
Amount recognized in OCI	-	488	(1,216)	(728)
Settlements	(495,000)	-	-	(495,000)
As of December 31, 2025	\$ -	\$ 4,873	\$ 200,000	\$ 204,873

	Financial assets mandatorily measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income		Total
	Link deposits	Stocks	Bonds	
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	-	5,000
Settlements	(609,500)	-	-	(609,500)
As of December 31, 2024	\$ 497,340	\$ 4,385	\$ 201,216	\$ 702,941

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

Total gains related to assets recognized for the years ended December 31, 2025 and 2024 amounted to NT\$2,340 thousand and NT\$1,465 thousand, respectively.

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

The Company's recurring fair value measurements in Level 3 of the fair value hierarchy and significant unobservable inputs of fair value measurement in Level 3 fair value hierarchy were as follows:

As of December 31, 2025:

Valuation technique		Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:					
At fair value through other comprehensive income					
Stocks	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.	A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2025 by NT\$487 thousand.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 2024:

Valuation technique	Significant unobservable inputs	Quantitative information	Interrelationship between inputs and fair values	Sensitivity analysis of interrelationship between inputs and fair values
Financial Assets:				
At fair value through other comprehensive income				
Stocks	Market Approach	Discount for lack of marketability	0-30%	The greater degree of lack of marketability the lower the estimated fair value is determined.
				A change of 10% in the discount for lack of marketability of the aforementioned fair values of unlisted stocks could decrease/increase the Company's equity for the year ended December 31, 2024 by NT\$439 thousand.

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, 2025:

None

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

As of December 31, 2024:

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:

Forward exchange contracts	Currency	Contract amount		Maturity
			('000)	
As of December 31, 2025	TWD to USD	Buy USD	30,000	January 2026
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

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

(2) Financial risk management objectives and policies

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

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

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

B. Market risk

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

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

a. Foreign currency risk

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

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

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

When NTD appreciates or depreciates against USD by 0.1%, the profit for the years ended December 31, 2025 and 2024 would decrease / increase by NT\$38,898 thousand and NT\$108,683 thousand, respectively.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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.

c. Other price risk

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

A change of 1% in the price of the listed company stocks classified under equity instrument investments measured at fair value through profit or loss could cause the profit or loss for the years ended December 31, 2025 and 2024 to increase/decrease by nil and NT\$335 thousand, respectively.

A change of 1% in the price of the listed company stocks and funds classified under equity instrument investments measured at fair value through other comprehensive income could cause the other comprehensive income for the years ended December 31, 2025 and 2024 to increase/decrease by NT\$50,883 thousand and NT\$57,907 thousand, respectively.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

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

B. Credit risk management

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

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

As of December 31, 2025 and 2024, receivables from top ten customers represented 49.99%, and 39.21% 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. When engaging in such investment transactions, a prudent assessment is made base on the target company's credit status to minimize credit risk to the greatest extent possible.

The Company adopted IFRS 9 to assess the expected credit losses. Except for the loss allowance of trade receivables and finance lease receivables which are measured at lifetime expected credit losses, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories. The Company makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates. The details of the assessment for the credit risk of the Company are described as follows:

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

Level of credit risk	Indicator	Measurement method for expected credit losses	Carrying amount	
			December 31, 2025	December 31, 2024
Low credit risk	Credit risk measure belongs to IG category	12-month expected credit losses	\$ 2,550,386	\$ 2,451,247
	Counter parties with investment grade credit rating			
Credit risk significantly increased	Credit risk measure reduced from IG category to HY category	Lifetime expected credit losses	\$ -	\$ -
	Contract payment overdue 30 days			
Credit-impaired	Credit risk measure belongs to DS category or above	Lifetime expected credit losses	\$ -	\$ -
	Contract payment overdue 90 days			
	Other impaired evidence			
Simplified method (Note)	(Note)	Lifetime expected credit losses	\$ 33,754,490	\$ 21,884,015

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

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

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

Non-derivative financial liabilities

	Less than 1 year	1 to 5 years	Later than 5 years	Total
<u>As of December 31, 2025</u>				
Trade payables (including related parties)	\$ 31,699,155	\$ -	\$ -	\$ 31,699,155
Other payables (including related parties)	86,860,931	-	-	86,860,931
Lease liabilities	425,942	477,172	1,884,686	2,787,800
Long-term payables (including related parties)	2,223,553	3,819,688	65,717,960	71,761,201
Total	<u>\$ 121,209,581</u>	<u>\$ 4,296,860</u>	<u>\$ 67,602,646</u>	<u>\$ 193,109,087</u>
<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
Total	<u>\$ 123,019,733</u>	<u>\$ 2,241,844</u>	<u>\$ 70,440,661</u>	<u>\$ 195,702,238</u>

MEDIATEK INC.**NOTES TO FINANCIAL STATEMENTS-(Continued)****(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)****D. Reconciliation of liabilities arising from financing activities****Reconciliation of liabilities for the year ended December 31, 2025:**

	Lease	Deposits	Other payables	Total liabilities from
	liabilities	received	- related parties	financing activities
			(including long-term)	
As of January 1, 2025	\$ 2,225,699	\$ 56,359	\$ 70,632,287	\$ 72,914,345
Cash flows	(442,778)	(904)	(2,767,160)	(3,210,842)
Non-cash movement	480,962	-	(151,028)	329,934
As of December 31, 2025	<u>\$ 2,263,883</u>	<u>\$ 55,455</u>	<u>\$ 67,714,099</u>	<u>\$ 70,033,437</u>

Reconciliation of liabilities for the year ended December 31, 2024:

	Lease	Deposits	Other payables	Total liabilities from
	liabilities	received	- related parties	financing activities
			(including long-term)	
As of January 1, 2025	\$ 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, 2025	<u>\$ 2,225,699</u>	<u>\$ 56,359</u>	<u>\$ 70,632,287</u>	<u>\$ 72,914,345</u>

(3) Significant assets and liabilities denominated in foreign currencies

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

	December 31, 2025		
	Foreign Currency		
	(thousand)	Exchange rate	NT\$ (thousand)
<u>Financial assets</u>			
Monetary item:			
USD	\$ 4,650,330	31.444	\$ 146,219,595
<u>Financial liabilities</u>			
Monetary item:			
USD	\$ 3,443,271	31.444	\$ 108,270,206

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

	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

Functional currencies of entities of the Company are varied. Accordingly, the Company is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The foreign exchange gains (losses) for the years ended December 31, 2025 and 2024 please refer to Note 6. (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, 2025: Please refer to Attachment 1.
- B. Endorsement/Guarantee provided to others for the year ended December 31, 2025: Please refer to Attachment 2.
- C. Significant securities held as of December 31, 2025: Please refer to Attachment 3.

MEDIATEK INC.

NOTES TO FINANCIAL STATEMENTS-(Continued)

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

- D. Related party transactions for purchases and sales amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock for the year ended December 31, 2025: Please refer to Attachment 4.
- E. Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20 percent of the capital stock as of December 31, 2025: Please refer to Attachment 5.

(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 6.

(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 7.
- 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.

MEDIATEK INC.
FINANCING PROVIDED TO OTHERS
For the year ended December 31, 2025

Attachment 1

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

NO.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period (Note 2)		Ending Balance	Amount Actually Drawn	Interest Rate (Note 3)	Nature of Financing	Transaction Amounts	Reason for Financing	Bad Debt	Collateral		Financing Limits for Each Borrowing Company	Financing Company's Total Financing Amount Limits
					Item	Value											
1	Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Other receivables from related party	Yes	\$ 320,163 CNY 70,000	\$ 314,804 CNY 70,000	\$ 314,804 CNY 70,000	3.00%	Short-term financing	-	Constructing Building	-	NA	-	\$ 18,337,577 CNY 4,077,554	\$ 18,337,577 CNY 4,077,554	
		MediaTek (Shanghai) Inc.	Other receivables from related party	Yes	\$ 1,097,700 CNY 240,000	\$ 1,079,328 CNY 240,000	\$ 1,079,328 CNY 240,000	3.00%	Short-term financing	-	Constructing Building	-	NA	-	\$ 18,337,577 CNY 4,077,554	\$ 18,337,577 CNY 4,077,554	
		MediaTek (Wuhan) Inc.	Other receivables from related party	Yes	\$ 914,750 CNY 200,000	\$ 629,608 CNY 140,000	\$ 629,608 CNY 140,000	3.00%	Short-term financing	-	Constructing Building	-	NA	-	\$ 18,337,577 CNY 4,077,554	\$ 18,337,577 CNY 4,077,554	
2	Hsu Zhan (HK) Investment Limited	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 34,588,400 USD 1,100,000	\$ 34,588,400 USD 1,100,000	\$ 5,659,920 USD 180,000	5.62%-6.59%	Short-term financing	-	Operating Capital	-	NA	-	\$ 78,722,325 USD 2,503,572	\$ 78,722,325 USD 2,503,572	
		MediaTek Japan Inc.	Other receivables from related party	Yes	\$ 44,992 JPY 200,000	\$ 40,168 JPY 200,000	\$ 40,168 JPY 200,000	1.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 78,722,325 USD 2,503,572	\$ 78,722,325 USD 2,503,572	
3	Digimoc Holdings Limited	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 5,478,165 USD 167,400	\$ 3,383,374 USD 107,600	\$ 3,383,374 USD 107,600	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 41,437,695 USD 1,317,825	\$ 41,437,695 USD 1,317,825	
4	MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 3,533,012 USD 106,400	\$ 3,186,849 USD 101,350	\$ 3,186,849 USD 101,350	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 12,741,133 USD 405,201	\$ 12,741,133 USD 405,201	
5	Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Other receivables from related party	Yes	\$ 265,640 USD 8,000	\$ 251,552 USD 8,000	\$ 220,108 USD 7,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 208,664,392 USD 6,636,064	\$ 208,664,392 USD 6,636,064	
		MediaTek Inc.	Other receivables from related party	Yes	\$ 97,161,960 USD 3,090,000	\$ 97,161,960 USD 3,090,000	\$ 65,717,960 USD 2,090,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 208,664,392 USD 6,636,064	\$ 208,664,392 USD 6,636,064	
		MTK Wireless Limited	Other receivables from related party	Yes	\$ 974,764 USD 31,000	\$ 974,764 USD 31,000	\$ 974,764 USD 31,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 208,664,392 USD 6,636,064	\$ 208,664,392 USD 6,636,064	
6	Lepower (HK) Limited	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 879,933 USD 26,500	\$ 833,266 USD 26,500	\$ 833,266 USD 26,500	5.58%-6.60%	Short-term financing	-	Operating Capital	-	NA	-	\$ 5,049,206 CNY 1,122,744	\$ 5,049,206 CNY 1,122,744	
7	Gold Rich International (HK) Limited	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 664,100 USD 20,000	\$ 627,937 USD 19,970	\$ 627,937 USD 19,970	5.58%-6.60%	Short-term financing	-	Operating Capital	-	NA	-	\$ 4,663,334 USD 148,306	\$ 4,663,334 USD 148,306	
8	Cloud Ranger Limited	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 830,125 USD 25,000	\$ 786,100 USD 25,000	\$ 786,100 USD 25,000	0.00%	Short-term financing	-	Operating Capital	-	NA	-	\$ 1,845,432 USD 58,689	\$ 1,845,432 USD 58,689	
9	MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	Other receivables from related party	Yes	\$ 37,732,800 USD 1,200,000	\$ 37,732,800 USD 1,200,000	\$ 30,815,120 USD 980,000	5.33%-6.40%	Short-term financing	-	Operating Capital	-	NA	-	\$ 70,062,611 USD 2,228,171	\$ 70,062,611 USD 2,228,171	
10	Hsiang Fa Co.	MediaTek Capital Co.	Other receivables from related party	Yes	\$ 1,100,000	\$ 1,100,000	\$ 850,000	2.19%-2.20%	Short-term financing	-	Operating Capital	-	NA	-	\$ 1,791,475	\$ 7,165,901	

Note 1: The operating procedures of financing provided to others of Hsu Fa (Samoa) Investment Ltd., Hsu Zhan (HK) Investment Limited, Digimoc Holdings Limited, MTKC Global Holdings Co. Limited,

Gaintech Co. Limited, LePower (HK) Limited, Gold Rich International (HK) Limited, Cloud Ranger Limited, Mediatek Singapore Pte. Ltd. and Hsiang Fa Co. required:

A. The total amount for lending shall not exceed 40% of the lender's net worth,

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

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

Note 2: Maximum accumulated balance of financing amount as of the declaration month for the period.

Note 3: The attachment above indicates the financing between subsidiary that are 100% owned within the group, related interest expense and income are recognized in the individual company accounts. There is no impact on the overall profit or loss of the group when preparing the consolidated financial statements.

MEDIATEK INC.
ENDORSEMENT/GUARANTEE PROVIDED TO OTHERS
For the year ended December 31, 2025

Attachment 2

(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsor/Guarantor	Guaranteed Party		Limits on Endorsement/Guarantee to Each Guaranteed Party	Maximum Balance for the Period (Note 3)	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee Amount to Net Equity per Latest Financial Statement	Maximum Endorsement/Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Company Name	Relationship (Note 2)										
0	MediaTek Inc.	Gaintech Co. Limited	A	\$ 80,120,198 (Note 1)	\$ 24,000,000	\$ 24,000,000	\$ -	\$ -	5.99%	\$ 200,300,494	Y	N	N
		MediaTek China Limited	A	\$ 80,120,198 (Note 1)	\$ 9,000,000	\$ 9,000,000	\$ -	\$ -	2.25%		Y	N	N

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

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

Note 2: The nature of relationship between endorsor/guarantor and guaranteed party is as follows:

A. The Company directly and indirectly holds more than 50% of the voting shares.

B. A company that directly and indirectly holds more than 50% of the voting shares in the Company.

Note 3: Amounts converted at the highest exchange rate.

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2025

Attachment 3

Financial Statement Account	Securities Type	Securities Name	Held Company Name	(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)				
				December 31, 2025				
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership(%)	Fair Value (Note 3)	Note
Financial assets mandatorily measured at fair value through profit or loss- current	Linked Deposits	JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD 17,630	-	USD 17,630	-
	Bonds	Ennoconn Corporation	Hsiang Fa Co.	-	\$ 1,242,412	-	\$ 1,242,412	-
Financial assets mandatorily measured at fair value through profit or loss- noncurrent	Trust Funds	Trust Funds	MediaTek USA Inc.	-	USD 81,921	-	USD 81,921	-
	Bonds	Carsome Group Convertible Promissory Note	MTKC Global Holdings Co. Limited	-	USD 12,737	-	USD 12,737	-
Debt instrument investments measured at fair value through other comprehensive income- current	Bonds	Taiwan Semiconductor Manufacturing Co., Ltd.	Hsu Zhan (HK) Investment Limited	-	USD 19,703	-	USD 19,703	-
Equity instrument investments measured at fair value through other comprehensive income- current	Stocks	CHUNGHWA PRECISION TEST TECH. CO., LTD.	Hsiang Fa Co.	176,000	\$ 402,160	1%	\$ 402,160	-
		Andes Technology Corporation	Hsiang Fa Co.	3,249,324	\$ 779,838	6%	\$ 779,838	-
		Shenzhen Goodix Technology Co., Ltd.	Gold Rich International (HK) Limited	13,126,705	USD 142,627	3%	USD 142,627	-
Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Stocks	Aeonsemi, Inc.	Digimoc Holdings Limited	1,417,657	USD 18,592	6%	USD 18,592	-
		AutoX, Inc.	Digimoc Holdings Limited	55,009,500	USD 80,864	3%	USD 80,864	-
		ITH Corporation	Gaintech Co. Limited	53,889,085	USD 66,892	11%	USD 66,892	-
		Scaleflux Inc.	Cloud Ranger Limited	2,096,587	USD 17,475	2%	USD 17,475	-
		Transsnet FinTech Group	MTKC Global Holdings Co. Limited	14,256,620	USD 10,265	2%	USD 10,265	-
		TRANSSNET TECHNOLOGY INC.	Cloud Ranger Limited	1,970,316	USD 10,730	8%	USD 10,730	-
		ALCHIP TECHNOLOGIES, INC.	MediaTek Capital Co.	450,000	\$ 1,374,453	1%	\$ 1,374,453	-
		Taishin Financial Holding Co., Ltd. exchangeable preferred stock	MediaTek Inc.	25,325,000	\$ 419,129	0%	\$ 419,129	-
		FUBON Financial Holding Co., Ltd., Preferred Stock C	MediaTek Inc.	7,056,243	\$ 376,803	0%	\$ 376,803	-
		FUBON Financial Holding Co., Ltd., Preferred Stock B	MediaTek Inc.	15,000,000	\$ 925,500	0%	\$ 925,500	-
		Maxone Semiconductor (Suzhou) Co., Ltd.	Lepower (HK) Limited	2,474,300	CNY 444,780	2%	CNY 444,780	-
		WT Microelectronics Preferred Stock A	MediaTek Inc.	8,241,000	\$ 423,587	1%	\$ 423,587	-
		Shenzhen Transsion Holding Co., Ltd.	Digimoc Holdings Limited	71,573,109	USD 677,252	6%	USD 677,252	-
		Vastai Technologies (Shanghai) Inc.	MTKC Global Holdings Co. Limited	4,252,861	USD 16,024	1%	USD 16,024	-
		MediaTek Inc.	Hsiang Fa Co.	7,794,085	\$ 11,145,542	0%	\$ 11,145,542	1
		AI Speech Co., Ltd.	MediaTek (Beijing) Inc.	4,638,600	CNY 75,907	1%	CNY 75,907	-
	Capital	Achi Capital Partners Fund LP	Digimoc Holdings Limited	-	USD 72,506	-	USD 72,506	-
		Celesta Capital III, L.P.	Digimoc Holdings Limited	-	USD 9,883	-	USD 9,883	-
		HOPU USD Master Fund III, L.P.	Gaintech Co. Limited	-	USD 33,887	-	USD 33,887	-
		Walden Technology Venture II,L.P.	Gaintech Co. Limited	-	USD 11,985	-	USD 11,985	-
		Walden Technology Ventures III, L.P.	Gaintech Co. Limited	-	USD 38,532	-	USD 38,532	-
		Shanghai UniVista Industrial Software Group Co., Ltd.	MediaTek (Shenzhen) Inc.	-	CNY 84,818	-	CNY 84,818	-
		Shanghai Summit View Pujiang Equity Investment Limited Partnership II	MediaTek (Shanghai) Inc.	-	CNY 168,411	-	CNY 168,411	-
		Shanghai Summitview IC M AND A Investment Limited partnership	Gaintech Co. Limited	-	USD 90,431	-	USD 90,431	-
		Shanghai Walden Venture Capital Enterprise	Gaintech Co. Limited	-	USD 57,564	-	USD 57,564	-
		Nanjing AutoAI Technology Co., Ltd.	MediaTek (Shenzhen) Inc.	-	CNY 368,011	-	CNY 368,011	-
		Kun Qiao (Shenzhen) Semiconductor Industry Equity Investment Fund	Hefei Xuhui Management Consulting Co. Ltd.	-	CNY 420,365	-	CNY 420,365	-
		Kun Qiao Phase II (Xiamen) Semiconductor Industry Equity Investment Partnership (L.P.)	Hefei Xuhui Management Consulting Co. Ltd.	-	CNY 264,979	-	CNY 264,979	-
		Hebei Changjiang Nio new energy industry investment fund partnership firm (limited partnership)	MediaTek (Beijing) Inc.	-	CNY 194,940	-	CNY 194,940	-

(To be continued)

(Continued)

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2025

Attachment 3

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

Financial Statement Account	Securities Type	Securities Name	Held Company Name	December 31, 2025				
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership(%)	Fair Value (Note 3)	Note
Equity instrument investments measured at fair value through other comprehensive income- noncurrent	Capital	AaltoSemi Inc.	Lepower (HK) Limited	-	CNY 95,648	-	CNY 95,648	-
	Funds	Fund issued by Cathay Financial Holdings Co., Ltd	MediaTek Inc.	-	\$ 2,020,075	-	\$ 2,020,075	-
		Fund issued by Fubon Financial Holding Co., Ltd.	MediaTek Inc.	-	\$ 332,639	-	\$ 332,639	-
Financial assets measured at amortized cost- current	Bonds	Commonwealth Bank of Australia	Hsu Zhan (HK) Investment Limited	-	USD 17,869	-	USD 17,088	-
		JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD 19,800	-	USD 20,147	-
		National Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY 150,000	-	CNY 149,984	-
		Sumitomo Mitsui Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD 18,808	-	USD 17,853	-
		Westpac Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD 13,894	-	USD 13,258	-
Financial assets measured at amortized cost- noncurrent	Bonds	Advanced Micro Devices, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 17,101	-	USD 16,739	-
		Amazon.com, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 43,058	-	USD 41,824	-
		Bank of America Corporation	Hsu Fa (Samoa) Investment Ltd.	-	CNY 667,000	-	CNY 671,912	-
		Bank of America Corporation	Hsu Zhan (HK) Investment Limited	-	USD 178,459	-	USD 173,977	-
		BNP Paribas	Hsu Zhan (HK) Investment Limited	-	USD 49,445	-	USD 48,765	-
		Cathay Life Insurance.	Hsu Zhan (HK) Investment Limited	-	USD 30,000	-	USD 31,842	-
		Citigroup Inc.	Hsu Zhan (HK) Investment Limited	-	USD 147,399	-	USD 146,724	-
		Crédit Agricole	Hsu Fa (Samoa) Investment Ltd.	-	CNY 298,000	-	CNY 298,151	-
		Crédit Agricole	Hsu Zhan (HK) Investment Limited	-	USD 37,329	-	USD 37,284	-
		Foxconn Technology Group	Hsu Zhan (HK) Investment Limited	-	USD 17,564	-	USD 17,917	-
		Fubon Life Insurance Co., Ltd.	MediaTek Inc.	-	\$ 490,000	-	\$ 490,309	-
		HSBC Holdings plc	Hsu Zhan (HK) Investment Limited	-	USD 19,762	-	USD 19,703	-
		ING Group, N.V.	Hsu Zhan (HK) Investment Limited	-	USD 9,860	-	USD 9,650	-
		International Business Machines Corporation	Hsu Zhan (HK) Investment Limited	-	USD 88,964	-	USD 87,326	-
		JPMorgan Chase & Co.	Hsu Zhan (HK) Investment Limited	-	USD 254,300	-	USD 257,405	-
		KGI Securities Co., Ltd.	MediaTek Inc.	-	\$ 580,000	-	\$ 576,932	-
		Mitsubishi UFJ Financial Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 95,255	-	USD 92,388	-
		Mizuho Financial Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 139,965	-	USD 136,672	-
		Morgan Stanley	Hsu Zhan (HK) Investment Limited	-	USD 264,134	-	USD 259,231	-
		National Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY 1,252,000	-	CNY 1,275,090	-
		National Bank of Canada	Hsu Zhan (HK) Investment Limited	-	USD 18,000	-	USD 18,000	-
		NVIDIA CORP	Hsu Zhan (HK) Investment Limited	-	USD 24,609	-	USD 23,288	-
		Royal Bank of Canada	Hsu Fa (Samoa) Investment Ltd.	-	CNY 561,000	-	CNY 570,219	-
		Royal Bank of Canada	Hsu Zhan (HK) Investment Limited	-	USD 126,962	-	USD 127,232	-
		Sumitomo Mitsui Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD 63,962	-	USD 62,156	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	Hsu Zhan (HK) Investment Limited	-	USD 77,531	-	USD 74,323	-
		Taiwan Semiconductor Manufacturing Co., Ltd.	MediaTek Inc.	-	\$ 600,386	-	\$ 597,188	2
		The Bank of Nova Scotia	Hsu Zhan (HK) Investment Limited	-	USD 121,855	-	USD 121,557	-
		The Goldman Sachs Group, Inc.	Hsu Fa (Samoa) Investment Ltd.	-	CNY 395,000	-	CNY 404,991	-
		The Goldman Sachs Group, Inc.	Hsu Zhan (HK) Investment Limited	-	USD 77,314	-	USD 76,752	-

(To be continued)

(Continued)

MEDIATEK INC.
SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, AFFILIATES AND JOINT VENTURE)
For the year ended December 31, 2025

Attachment 3

Financial Statement Account	Securities Type	Securities Name	Held Company Name	(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)				
				December 31, 2025				
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership(%)	Fair Value (Note 3)	Note
Financial assets measured at amortized cost- noncurrent	Bonds	UBS Group AG	Hsu Zhan (HK) Investment Limited	-	USD 9,831	-	USD 9,888	-
		Wells Fargo & Company	Hsu Zhan (HK) Investment Limited	-	USD 73,975	-	USD 73,345	-
		Westpac Banking Corporation	Hsu Zhan (HK) Investment Limited	-	USD 18,959	-	USD 18,788	-

Note 1: Ultimate parent entity.

Note 2: Including the 2022 first offering of 5-year and 7-year unsecured ordinary corporate bonds (green bonds) of Taiwan Semiconductor Manufacturing Company Limited (TSMC).

Note 3: Financial assets measured at fair value through other comprehensive income and Financial assets measured at fair value through profit or loss shall measure at fair value, therefore the carrying amount equals to the fair value.

MEDIATEK INC.
RELATED PARTY TRANSACTIONS FOR PURCHASES AND SALES AMOUNTS EXCEEDING THE LOWER OF NT\$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
For the year ended December 31, 2025

Attachment 4

Company Name	Counter-party	Relationship	Transaction Details				Details of Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchases/Sales	Amount	Percentage of Total Purchases/Sales	Payment Term			Ending Balance	Percentage of Total Notes/Trade Receivables (Payables)	
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	Sales (Note 1)	\$ 6,623,654	1.98%	Charged by a certain period	-	-	\$ 504,726	1.50%	-
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	Sales (Note 2)	\$ 215,284	0.06%	Charged by a certain period	-	-	\$ 197,908	0.59%	-
MediaTek Inc.	Richtek Technology Corp.	Subsidiary	Purchases	\$ 746,380	0.52%	30 days	-	-	\$ (215,869)	(0.69)%	
MediaTek Singapore Pte. Ltd.	HFI Innovation Inc.	Same Parent Company	Sales (Note 3)	USD 4,944	0.07%	30 days	-	-	USD -	-	-
MediaTek Inc.	Intelligo Technology Inc.	Associate	Sales	\$ 318,987	0.10%	30 days	-	-	\$ 24,117	0.07%	-
MediaTek Inc.	King Yuan Electronics Co., Ltd	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 5,066,774	-	75 days	-	-	\$ (1,699,572)	(5.42)%	-
MediaTek Singapore Pte. Ltd.	King Yuan Electronics Co., Ltd	Substantive related party	IC testing, experimental services, and manufacturing technology services	USD 77,748	-	75 days	-	-	USD (19,689)	(4.25)%	-
Airoha Technology Corp.	King Yuan Electronics Co., Ltd	Substantive related party	IC testing, experimental services, and manufacturing technology services	\$ 831,110	-	75 days	-	-	\$ (193,361)	(12.29)%	-
Airoha Technology Corp.	ASIX Electronics Corporation	Associate	Sales	\$ 267,054	1.50%	30 days	-	-	\$ 18,530	0.87%	-

Note 1: mainly license revenues

Note 2: mainly technical services revenues

Note 3: mainly IP revenues

MEDIATEK INC.
RECEIVABLES FROM RELATED PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF NT\$100 MILLION OR 20 PERCENT OF THE CAPITAL STOCK
As of December 31, 2025

Attachment 5

(Amounts in Thousands of New Taiwan Dollars)

Company Name	Counter-party	Relationship	Ending Balance of Notes/Trade Receivables from Related Party		Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Doubtful Debts
						Amount	Action Taken		
MediaTek Inc.	Airoha Technology Corp.	Subsidiary	\$ 197,911	(Note1)	-	\$ -	-	\$ 141	\$ -
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 516,622	(Note1)	-	\$ -	-	\$ 505,391	\$ -
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Subsidiary	\$ 4,716,600	(Note3 and Note4)	-	\$ -	-	\$ -	\$ -
MediaTek Inc.	Mediatek Communication (Heifei) Co., Ltd.	Subsidiary	\$ 489,250	(Note1)	-	\$ -	-	\$ -	\$ -
MediaTek Singapore Pte. Ltd.	Gaintech Co. Limited	Subsidiary	\$ 31,310,927	(Note2)	-	\$ -	-	\$ -	\$ -
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	Subsidiary	\$ 4,716,600	(Note3)	-	\$ -	-	\$ -	\$ -
Digimoc Holdings Limited	Gaintech Co. Limited	Subsidiary	\$ 3,383,374	(Note2)	-	\$ -	-	\$ -	\$ -
MediaTek Bangalore Private Limited	MediaTek Inc.	Subsidiary	\$ 230,577	(Note1)	-	\$ -	-	\$ 230,577	\$ -
Gaintech Co. Limited	MediaTek Inc.	Subsidiary	\$ 65,717,960	(Note2)	-	\$ -	-	\$ -	\$ -
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	Subsidiary	\$ 220,108	(Note2)	-	\$ -	-	\$ -	\$ -
Gaintech Co. Limited	MTK Wireless Limited	Subsidiary	\$ 974,764	(Note2)	-	\$ -	-	\$ -	\$ -
Cloud Ranger Limited	Gaintech Co. Limited	Subsidiary	\$ 786,100	(Note2)	-	\$ -	-	\$ -	\$ -
MediaTek India Technology Pvt. Ltd.	MediaTek Inc.	Subsidiary	\$ 118,672	(Note1)	-	\$ -	-	\$ 118,672	\$ -
MediaTek Korea Inc.	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 114,221	(Note1)	-	\$ -	-	\$ 114,221	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Chengdu) Inc.	Subsidiary	\$ 314,804	(Note2)	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Wuhan) Inc.	Subsidiary	\$ 629,608	(Note2)	-	\$ -	-	\$ -	\$ -
Hsu Fa (Samoa) Investment Ltd.	MediaTek (Shanghai) Inc.	Subsidiary	\$ 1,079,328	(Note2)	-	\$ -	-	\$ -	\$ -
MTKC Global Holdings Co. Limited	Gaintech Co. Limited	Subsidiary	\$ 3,186,849	(Note2)	-	\$ -	-	\$ 147,787	\$ -
Hsu Zhan (HK) Investment Limited	Gaintech Co. Limited	Subsidiary	\$ 6,078,711	(Note2)	-	\$ -	-	\$ -	\$ -
Lepower (HK) Limited	Gaintech Co. Limited	Subsidiary	\$ 847,533	(Note2)	-	\$ -	-	\$ -	\$ -
Gold Rich International (HK) Limited	Gaintech Co. Limited	Subsidiary	\$ 638,688	(Note2)	-	\$ -	-	\$ -	\$ -
MTK Wireless Limited	MediaTek Inc.	Subsidiary	\$ 111,449	(Note1)	-	\$ -	-	\$ -	\$ -
MediaTek USA Inc.	MediaTek Inc.	Subsidiary	\$ 1,346,865	(Note1)	-	\$ -	-	\$ 1	\$ -
MediaTek Wireless Finland Oy	MediaTek Singapore Pte. Ltd.	Subsidiary	\$ 253,903	(Note1)	-	\$ -	-	\$ -	\$ -
Hsiang Fa Co.	MediaTek Capital Co.	Subsidiary	\$ 852,499	(Note2)	-	\$ -	-	\$ -	\$ -
Hsiang Fa Co.	Chingis Technology Corp.	Subsidiary	\$ 200,000	(Note4)	-	\$ -	-	\$ -	\$ -
Richtek Technology Corp.	MediaTek Inc.	Subsidiary	\$ 215,869	(Note1)	-	\$ -	-	\$ 160,905	\$ -
Airoha Technology Corp.	MediaTek Inc.	Subsidiary	\$ 359,559	(Note1)	-	\$ -	-	\$ 153,693	\$ -
Airoha Technology (Suzhou) Limited	Airoha Technology Corp.	Subsidiary	\$ 171,430	(Note1)	-	\$ -	-	\$ 171,430	\$ -

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

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

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

Note 4: Capital return (recorded in other receivables) mainly

MEDIATEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEEs IN MAINLAND CHINA)
For the year ended December 31, 2025

Attachment 6

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)											
Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2025			Net Income (Loss) of Investee	Investment Income (Loss) Recognized	Note
				Ending balance	Beginning balance	Units and Shares	Percentage of ownership	Carrying amount			
MediaTek Inc.	Airoha Technology Corp.	Taiwan	Research, manufacturing and sales	\$ 9,378,890	\$ 9,378,890	111,235,745	66%	\$ 14,074,499	\$ 2,900,763	\$ 1,918,847	1
MediaTek Inc.	IC PLUS Corp.	Taiwan	Research, manufacturing and sales	\$ 300,370	\$ 300,370	13,125,454	14%	\$ 1,118,460	\$ (58,220)	\$ (18,473)	1
MediaTek Inc.	HFI Innovation Inc.	Taiwan	Intellectual property right management	\$ 2,118,755	\$ 2,118,755	211,875,530	100%	\$ 2,357,742	\$ 392,164	\$ 343,571	1
MediaTek Inc.	Hsu-Yuan Investment Corp.	Taiwan	General investing	\$ 2,500,000	\$ 2,500,000	250,000,000	100%	\$ 2,465,016	\$ 13,706	\$ 13,705	1
MediaTek Inc.	MStar Co., Ltd.	Seychelles	General investing	\$ 526,142	\$ 526,142	13,350,000	100%	\$ 185,946	\$ 10,879	\$ 10,879	1
MediaTek Inc.	MediaTek Japan Inc.	Japan	Technical services	\$ 38,558	\$ 38,558	7,100	100%	\$ 52,611	\$ 8,179	\$ 8,179	1
MediaTek Inc.	MediaTek Korea Inc.	Korea	Research	\$ 192,883	\$ 192,883	200,000	100%	\$ 268,347	\$ 63,829	\$ 63,829	1
MediaTek Inc.	MediaTek Research UK Limited	United Kingdom	Research	\$ 24,363	\$ 24,363	280,000	100%	\$ 66,534	\$ 12,653	\$ 12,653	1
MediaTek Inc.	MediaTek Investment Singapore Pte. Ltd.	Singapore	General investing	\$ 23,989,873	\$ 28,303,703	1,440,845,498	100%	\$ 209,141,601	\$ 8,139,140	\$ 8,139,144	1
MediaTek Inc.	MediaTek Singapore Pte. Ltd.	Singapore	Research, manufacturing and sales	\$ 4,137,594	\$ 4,137,594	187,513,879	100%	\$ 69,948,366	\$ 45,326,243	\$ 45,231,805	1
MediaTek Inc.	Spidcom Technologies	France	Intellectual property right management	\$ 4,722	\$ 4,722	146,200	100%	\$ -	\$ -	\$ -	1
MediaTek Inc.	MediaTek Bangalore Private Limited	India	Research	\$ 581,508	\$ 581,508	1,999,999	100%	\$ 1,241,826	\$ 488,542	\$ 501,464	1
MediaTek Inc.	MediaTek Capital Co.	Taiwan	General investing	\$ 19,364,634	\$ 19,364,634	1,888,251,487	100%	\$ 10,213,148	\$ 749,501	\$ 365,292	1
MediaTek Inc.	Richtek Technology Corp.	Taiwan	Research, manufacturing and sales	\$ 21,221,922	\$ 21,221,922	148,482,806	100%	\$ 16,611,762	\$ 2,617,729	\$ 2,454,184	1
MediaTek Singapore Pte. Ltd.	MaiSys Design Technology SG Pte. Ltd.	Singapore	Research	USD 750	USD 750	750,001	100%	USD 614	USD (8)	-	1
MediaTek Singapore Pte. Ltd.	MediaTek Investment HK Limited	Hong Kong	General investing	USD 507,100	USD 507,100	554,587,474	100%	USD 583,259	USD 15,925	-	1
MediaTek Investment Singapore Pte. Ltd.	Gaintech Co. Limited	Cayman Islands	General investing	USD 2,660,900	USD 2,660,900	1,123,172,524	100%	USD 6,636,064	USD 264,768	-	1
Digimoc Holdings Limited	Cloud Ranger Limited	Samoa	General investing	USD 57,662	USD 57,662	23,139,000	100%	USD 58,689	USD 32	-	1
Digimoc Holdings Limited	Gold Rich International (Samoa) Limited	Samoa	General investing	USD 448,441	USD 448,441	4,290,000	100%	USD 148,385	USD (39,200)	-	1
Digimoc Holdings Limited	MediaTek India Technology Pvt. Ltd.	India	Research	USD 0	USD 0	1	0%	USD 0	INR 506,004	-	1
Digimoc Holdings Limited	Intelligo Technology Inc.	Cayman Islands	Research, manufacturing and sales	USD 12,168	USD 3,168	6,506,162	14%	USD 25,862	USD 17,647	-	-
Digimoc Holdings Limited	M.I.F. L.P.	Cayman Islands	General investing	USD 10,500	USD -	-	32%	USD 10,376	USD (1,080)	-	-
MediaTek Capital Co.	Airoha Technology Corp.	Taiwan	Research, manufacturing and sales	\$ 723,403	\$ 723,403	6,000,000	4%	\$ 765,655	\$ 2,900,763	-	1
MediaTek Capital Co.	Hsiang Fa Co.	Taiwan	General investing	\$ 16,222,537	\$ 16,222,537	309,609,489	100%	\$ 17,814,322	\$ 613,766	-	1
MediaTek Capital Co.	ISStar Technology Ltd.	Cayman Islands	General investing	\$ -	\$ 4,036	-	-	\$ -	USD (8)	-	1 and 2
MediaTek Capital Co.	MediaTek Bangalore Private Limited	India	Research	\$ 0	\$ 0	1	0%	\$ 0	\$ 488,542	-	1
MediaTek Capital Co.	Zilltek Technology Corp.	Taiwan	Research, manufacturing and sales	\$ 1,770,600	\$ 1,770,600	10,000,000	18%	\$ 1,842,135	\$ 365,204	-	-
MediaTek Bangalore Private Limited	MediaTek India Technology Pvt. Ltd.	India	Research	INR 3,896,338	INR 3,896,338	5,499,999	100%	INR 2,006,402	INR 506,004	-	1
Gaintech Co. Limited	MediaTek Wireless FZ-LLC	United Arab Emirates	Technical services	USD 14	USD 14	50	100%	USD 600	USD 16	-	1
Gaintech Co. Limited	MediaTek Global Holdings Limited	United Kingdom	General investing	USD 3,824,118	USD 3,894,118	3,824,118,214	100%	USD 4,111,936	USD 54,298	-	1
Gaintech Co. Limited	MediaTek China Limited	Hong Kong	General investing	USD 391,444	USD 391,444	3,044,078,500	100%	USD 770,079	USD 55,436	-	1
Gaintech Co. Limited	Sigmastar Technology Inc.	Cayman Islands	General investing	USD 523	USD 523	1,511,579	100%	USD 294,795	USD 8,732	-	1
Gaintech Co. Limited	MTK Wireless Limited	United Kingdom	Research	USD 166,574	USD 135,665	84,394,826	100%	USD 368,591	USD 55,945	-	1
Gaintech Co. Limited	Nephos Cayman Co. Limited	Cayman Islands	General investing	USD 113,110	USD 113,110	113,110,426	100%	USD (562)	USD 570	-	1
Gaintech Co. Limited	Smarthead Limited	Seychelles	General investing	USD 700	USD 700	700,000	100%	USD 1,976	USD 215	-	1
Gaintech Co. Limited	CMC Capital Investments, L.P.	Cayman Islands	General investing	USD 4,613	USD 4,613	-	67%	USD 1,803	USD (903)	-	-
Gaintech Co. Limited	CSV1 VENTURES, L.P.	Cayman Islands	General investing	USD 19,093	USD 19,814	-	43%	USD 15,394	USD 7,024	-	-
Gaintech Co. Limited	Amobile Intelligent Corp. Limited	Hong Kong	Research, manufacturing and sales	USD -	USD 4,885	-	-	USD -	\$ 60,930	-	3

(To be continued)

(Continued)

MEDIATEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEEs IN MAINLAND CHINA)
For the year ended December 31, 2025

Attachment 6

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2025			(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
Smarthead Limited	MoMAGIC Technologies Private Limited	India	Software development	USD 500	USD 500	2,385,927	22%	USD 1,949	USD 871	-	-
MediaTek Wireless FZ-LLC	MLINK INVESTMENTS-FZCO	United Arab Emirates	General investing	AED 25,708	AED -	500	100%	AED 25,583	AED (226)	-	1 and 4
MLINK INVESTMENTS-FZCO	Mlink Egypt	Egypt	Research	AED 7	AED -	20	100%	AED (75)	AED 353	-	1 and 4
MediaTek Global Holdings Limited	Hsu Zhan (HK) Investment Limited	Hong Kong	General investing	USD 2,406,283	USD 2,406,283	2,383,399,545	100%	USD 2,503,572	USD 104,470	-	1
MediaTek Global Holdings Limited	Digimoc Holdings Limited	British Virgin Islands	General investing	USD 1,322,981	USD 1,322,981	1,550,638,880	100%	USD 1,317,675	USD (6,189)	-	1
MediaTek Global Holdings Limited	MTKC Global Holdings Co. Limited	British Virgin Islands	General investing	USD 355,354	USD 355,354	12	100%	USD 405,201	USD 7,484	-	1
MTKC Global Holdings Co. Limited	LePower (HK) Limited	Hong Kong	General investing	USD 81,998	USD 81,998	85,050,000	100%	USD 160,578	USD 743	-	1
MTKC Global Holdings Co. Limited	Amiti IV Quantum L.P.	United States	General investing	USD 2,000	USD 2,000	-	92%	USD 6,234	USD 4,630	-	-
Hsu Zhan (HK) Investment Limited	lStar Technology Ltd.	Cayman Islands	General investing	USD 120	USD -	50,000	100%	USD 111	USD (8)	-	1 and 2
MediaTek Investment HK Limited	Hsu Fa (Samoa) Investment Ltd.	Samoa	General investing	USD 543,969	USD 543,969	3,596,558,036	100%	USD 583,183	USD 15,930	-	1
Gold Rich International (Samoa) Limited	Gold Rich International (HK) Limited	Hong Kong	General investing	USD 4,190	USD 4,190	4,190,000	100%	USD 148,306	USD (39,200)	-	1
MTK Wireless Limited	MediaTek Wireless Finland Oy	Finland	Research	GBP 28,012	GBP 4,733	1,000	100%	GBP 38,341	GBP 2,449	-	1
MTK Wireless Limited	MStar France SAS	France	Research	GBP 22,406	GBP 22,406	458,900	100%	GBP 4,268	GBP (17)	-	1
MTK Wireless Limited	MediaTek North America Inc.	United States	Sales support and marketing services	GBP 4,079	GBP 4,079	10,000	100%	GBP 8,433	GBP 1,871	-	1
MTK Wireless Limited	MediaTek Poland sp. z o.o.	Poland	Technical services	GBP 604	GBP 604	100	100%	GBP 779	GBP 57	-	1
MTK Wireless Limited	MediaTek Sweden AB	Sweden	Research	GBP 19,362	GBP 19,362	1,008,371	100%	GBP 12,518	GBP 250	-	1
MTK Wireless Limited	MediaTek Technology USA Inc.	United States	Research	GBP 681	GBP 239	1,000	100%	GBP 640	GBP (61)	-	1
MTK Wireless Limited	MediaTek USA Inc.	United States	Research	GBP 38,800	GBP 38,800	111,815	100%	GBP 195,846	GBP 35,779	-	1
MediaTek USA Inc.	Vidaxio LLC	United States	Intellectual property right management	USD -	USD -	34	34%	USD -	USD -	-	-
MediaTek Wireless Finland Oy	MediaTek Germany GmbH	Germany	Technical services	EUR 500	EUR 500	500,000	100%	EUR 1,293	EUR 240	-	1
Hsiang Fa Co.	Chingis Technology Corporation	Taiwan	Research	\$ 317,932	\$ 637,932	59,936,991	100%	\$ 312,443	\$ 110,921	-	1
Hsiang Fa Co.	MediaTek Research Corp.	Taiwan	Research	\$ 800	\$ 800	80,000	100%	\$ 16,321	\$ 2,877	-	1
Hsiang Fa Co.	InnoFusion Technology Corp.	Taiwan	Technical services	\$ 74,539	\$ 74,539	112,000,000	100%	\$ 1,044,280	\$ (60,953)	-	1
Hsiang Fa Co.	Intelligo Technology Inc.	Cayman Islands	Research, manufacturing and sales	\$ 474,950	\$ 178,805	1,701,375	4%	\$ 560,087	\$ 546,001	-	-
Hsiang Fa Co.	CMOS-Crystal TECHNOLOGY CO., LIMITED	Taiwan	Research	\$ 18,189	\$ 18,189	25,001	20%	\$ 15,231	\$ (1,308)	-	-
Hsiang Fa Co.	Amobile Intelligent Corp. Limited	Hong Kong	Research, manufacturing and sales	\$ 138,207	\$ -	3,668,629	31%	\$ 153,894	\$ 60,930	-	3
Richtek Technology Corp.	Richnex Microelectronics Corp.	Taiwan	Research, manufacturing and sales	\$ 278,032	\$ 278,032	26,963,153	82%	\$ 68,438	\$ 20,140	-	1
Richtek Technology Corp.	Richtek Europe B.V.	Netherlands	Sales support and marketing services	\$ 25,348	\$ 25,348	1,500,000	100%	\$ 47,370	\$ 26,961	-	1
Richtek Technology Corp.	Richtek Europe Holding B.V.	Netherlands	General investing	\$ -	\$ 84,724	-	-	\$ -	\$ (24)	-	1 and 6
Richtek Technology Corp.	Richtek Holding International Limited	British Virgin Islands	General investing	\$ -	\$ 292,264	-	-	\$ -	\$ 3,281	-	1 and 5
Richtek Technology Corp.	Richtek Japan Inc.	Japan	Research and technical services	\$ 41,893	\$ 41,893	1,900	100%	\$ 47,794	\$ 7,645	-	1
Richtek Technology Corp.	Richtek Korea LLC.	Korea	Research and technical services	\$ 26,696	\$ 26,696	10,000	100%	\$ 57,913	\$ 31,612	-	1
Richtek Technology Corp.	Richtek USA, Inc.	United States	Research and technical services	\$ 133,470	\$ 133,470	1,000,000	100%	\$ 306,207	\$ 11,996	-	1
Airoha Technology Corp.	IC PLUS Corp.	Taiwan	Research, manufacturing and sales	\$ 1,947,085	\$ 1,947,085	28,213,800	29%	\$ 1,925,220	\$ (58,220)	-	1
Airoha Technology Corp.	Airoha Technology India Private Limited	India	Research	\$ 37,312	\$ 37,312	9,500,000	100%	\$ 50,882	\$ 8,716	-	1
Airoha Technology Corp.	Airoha Technology USA Inc.	United States	Research	\$ 12,563	\$ 12,563	10,000	100%	\$ 25,953	\$ 5,166	-	1
Airoha Technology Corp.	Airoha Technology (HK) Limited	Hong Kong	General investing, research, manufacturing and sales	\$ 1,734,341	\$ 2,214,341	31,699,433	100%	\$ 3,291,524	\$ 624,687	-	1
Airoha Technology Corp.	Shadow Investment Limited	Samoa	General investing	\$ -	\$ -	12,360,000	100%	\$ 1,049	\$ (42)	-	1
Airoha Technology Corp.	Airoha (Cayman) Inc.	Cayman Islands	General investing	\$ 55,183	\$ 55,183	4,253,337	100%	\$ 245,180	\$ 53,820	-	1

(To be continued)

(Continued)

MEDIATEK INC.
NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEE (EXCLUDING INVESTEEs IN MAINLAND CHINA)
For the year ended December 31, 2025

Attachment 6

Investor Company	Investee Company	Location	Main business	Original Investment Amount		Balance as of December 31, 2025			(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
Airoha Technology Corp.	ASIX Electronics Corporation	Taiwan	Research, manufacturing and sales	\$ 495,875	\$ 495,875	12,396,396	20%	\$ 565,936	\$ 231,505	-	-
Airoha Technology Corp.	Gear Radio Limited	Samoa	General investing	\$ 137,423	\$ -	9,000,000	19%	\$ 137,188	\$ 5,557	-	-
Airoha Technology (Suzhou) Limited	EcoNet Limited	British Virgin Islands	General investing	CNY 2,640	CNY 2,640	400,000	100%	CNY 36,873	CNY 1,521	-	1
Airoha (Cayman) Inc.	Airoha Technology India Private Limited	India	Research	USD 0	USD 0	95	0%	USD 0	USD 283	-	1

Note 1: Investee is a subsidiary in consolidated group.

Note 2: For the purpose of reorganization, the 100% ownership of Istar Technology Ltd., which was previously owned by MediaTek Capital Co., was transferred to Hsu Zhan (HK) Investment Limited in August 2025

Note 3: For the purpose of reorganization, the ownership of Amobile Intelligent Corp. Limited, which was previously owned by Gaintech Co. Limited, was transferred to Hsiang Fa Co. in September 2025.

Note 4: MediaTek Wireless FZ-LLC completed the acquisition of 100% of the shares of MLINK INVESTMENTS-FZCO in March 2025. The subsidiary originally belonging to MLINK INVESTMENTS-FZCO was included in the consolidated entity.

Note 5: For the purpose of reorganization, Richtek Holding International Limited has been liquidated in September 2025.

Note 6: For the purpose of reorganization, Richtek Europe Holding B.V. has been liquidated in December 2025.

MEDIATEK INC.
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2025

Attachment 7

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)												
Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 3. B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2025	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Zelus (Shenzhen) Technology Ltd.	Research and sales	\$ 161,937 USD 5,150	Gaintech Co. Limited	\$ 163,736 USD 5,207	-	-	\$ 163,736 USD 450	\$ 14,048 USD 450	88%	\$ 13,508 USD 433	\$ 185,487 USD 5,899	-
Mediatek Communication (Hefei) Co., Ltd.	Research, manufacturing and sales	\$ 1,297,065 USD 41,250	Nephos Cayman Co. Limited	\$ 3,586,196 USD 114,050	-	-	\$ 3,586,196 USD 114,050	\$ 15,982 USD 512	100%	\$ 15,982 USD 512	\$ (71,588) USD (2,277)	-
MediaTek (Hefei) Inc.	Research	\$ 534,548 USD 17,000	MediaTek China Limited	\$ 534,548 USD 17,000	-	-	\$ 534,548 USD 17,000	\$ 203,027 USD 6,509	100%	\$ 203,027 USD 6,509	\$ 1,453,641 USD 46,230	-
MediaTek (Beijing) Inc.	Research	\$ 3,144,400 USD 100,000	MediaTek China Limited	\$ 3,144,400 USD 100,000	-	-	\$ 3,144,400 USD 100,000	\$ 499,391 USD 16,011	100%	\$ 499,391 USD 16,011	\$ 5,729,798 USD 182,222	-
MediaTek (Shenzhen) Inc.	Research	\$ 2,829,960 USD 90,000	MediaTek China Limited	\$ 2,829,960 USD 90,000	-	-	\$ 2,829,960 USD 90,000	\$ 513,376 USD 16,459	100%	\$ 513,376 USD 16,459	\$ 8,118,673 USD 258,195	-
MediaTek (Chengdu) Inc.	Research	\$ 1,565,911 USD 49,800	MediaTek China Limited	\$ 1,565,911 USD 49,800	-	-	\$ 1,565,911 USD 49,800	\$ 155,462 USD 4,984	100%	\$ 155,462 USD 4,984	\$ 2,156,971 USD 68,597	-
MediaTek (Wuhan) Inc.	Research	\$ 760,945 USD 24,200	MediaTek China Limited	\$ 522,186 USD 16,607	-	-	\$ 522,186 USD 16,607	\$ 48,004 USD 1,539	100%	\$ 48,004 USD 1,539	\$ 957,485 USD 30,450	-
MediaTek (Shanghai) Inc.	Research	\$ 1,335,668 CNY 297,000	MediaTek China Limited	\$ 1,524,066 USD 48,469	-	-	\$ 1,524,066 USD 48,469	\$ 113,209 USD 3,630	100%	\$ 113,209 USD 3,630	\$ 2,919,123 USD 92,836	-
Xuxin Investment (Shanghai) Inc.	General investing	\$ 2,213,658 USD 70,400	MediaTek China Limited	\$ 2,213,658 USD 70,400	-	-	\$ 2,213,658 USD 70,400	\$ 358,304 USD 11,487	100%	\$ 358,304 USD 11,487	\$ 3,927,489 USD 124,904	-
Xuxi (Shanghai) Management Consulting Co., Ltd.	General investing	\$ 2,181,592 CNY 485,100	Xuxin Investment (Shanghai) Inc.	\$ 1,951,820 USD 62,073	\$ 216,559 USD 6,887	-	\$ 2,168,379 USD 68,960	\$ 355,254 CNY 81,926	100%	\$ 355,254 CNY 81,926	\$ 3,688,655 CNY 820,212	-
Hefei Xuhui Management Consulting Co., Ltd.	General investing	\$ 2,181,142 CNY 485,000	Xuxi (Shanghai) Management Consulting Co., Ltd.	\$ 1,951,385 USD 62,059	\$ 216,559 USD 6,887	-	\$ 2,167,944 USD 68,946	\$ 355,327 CNY 81,942	100%	\$ 355,327 CNY 81,942	\$ 3,688,539 CNY 820,186	-
MStar Software R&D (Shenzhen), Ltd.	Technical services	\$ 943,320 USD 30,000	MStar Co., Ltd.	\$ 943,320 USD 30,000	-	-	\$ 943,320 USD 30,000	\$ 4,707 USD 151	100%	\$ 4,707 USD 151	\$ 546,635 USD 17,384	-
Vanchip (Tianjin) Technology Co., Ltd.	Research, manufacturing and sales	\$ 1,918,942 CNY 426,697	Gaintech Co. Limited	\$ 1,257,760 USD 40,000	-	-	\$ 1,257,760 USD 40,000	\$ 148,413 USD 4,758	24%	\$ 54,219 USD 1,738	\$ 4,614,564 USD 146,755	-
SigmaStar Technology Ltd.	Research, manufacturing and sales	\$ 1,896,538 CNY 421,715	Sigmastar Technology Inc.	\$ 62,888 USD 2,000	-	-	\$ 62,888 USD 2,000	\$ 1,022,002 USD 32,766	29%	\$ 309,908 USD 9,936	\$ 10,082,115 USD 320,637	-
Shanghai KQC Financial Management	General investing	\$ 148,408 CNY 33,000	Xuxin Investment (Shanghai) Inc.	\$ 30,716 USD 977	-	-	\$ 30,716 USD 977	\$ (1) CNY (0)	20%	\$ (0) CNY (0)	\$ 29,681 CNY 6,600	-
Li-We Technology Corp.	Technical services	\$ 78,610 USD 2,500	Richtek Technology Corp.	\$ 78,610 USD 2,500	-	-	\$ 78,610 USD 2,500	\$ 11,666	100%	\$ 11,666	\$ 102,188	-
Richpower Microelectronics Co., Ltd.	Technical services	\$ 100,621 USD 3,200	Richtek Technology Corp.	\$ 100,621 USD 3,200	-	-	\$ 100,621 USD 3,200	\$ 4,499	100%	\$ 4,499	\$ 43,973	-
Airoha Technology (Suzhou) Limited	Research, manufacturing and sales	\$ 314,440 USD 10,000	Airoha Technology (HK) Limited	\$ 314,440 USD 10,000	-	-	\$ 314,440 USD 10,000	\$ 447,117 USD 14,335	70%	\$ 312,937 USD 10,033	\$ 3,270,336 USD 104,005	\$ 7,240,131 USD 230,255

(To be continued)

(Continued)

MEDIATEK INC.
INFORMATION ON INVESTMENT IN MAINLAND CHINA
For the year ended December 31, 2025

Attachment 7

(Amounts in Thousands of New Taiwan Dollars and Foreign Currencies)												
Mainland China Investee Company	Main Business	Total Amount of Paid-in Capital	Method of Investment (Note 3. B)	Accumulated Outflow of Investment From Taiwan as of January 1, 2025	Investment Flows		Accumulated Outflow of Investment From Taiwan as of December 31, 2025	Net Income (Loss) of the Investee Company	Direct or Indirect Percentage of Ownership	Investment Income (Loss) Recognized (Note 2)	Carrying Amount as of December 31, 2025	Accumulated Inward Remittance of Earnings as of December 31, 2025
					Outflow	Inflow						
Airotek (Shenzhen) Inc.	Research and technical services	\$ 29,872	Airoha (Cayman) Inc.	\$ 29,872	-	-	\$ 29,872	\$ 25,558	70%	\$ 17,888	\$ 108,906	-
		USD 950		USD 950	-	-	USD 950	USD 819		USD 573	USD 3,463	
Airotek (Chengdu) Inc.	Research	\$ 29,872	Airoha (Cayman) Inc.	\$ 29,872	-	-	\$ 29,872	\$ 28,746	70%	\$ 20,119	\$ 122,517	-
		USD 950		USD 950	-	-	USD 950	USD 922		USD 645	USD 3,896	

Accumulated Investment in Mainland China as of December 31, 2025	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
\$ 23,269,083	\$ 29,566,744	\$ 240,360,593
USD 740,016	USD 940,298	

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

Note 2: Recognized in financial statements audited by the auditors of the parent company in Taiwan.

Note 3: The methods for engaging in investment in Mainland China include the following:

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

Note 4: Amounts are listed in New Taiwan Dollars. For foreign currency conversion, net income (loss) of investee and investment income (loss) are converted by the average exchange rate during financial statement period (1 USD=31.19125 NTD; 1 CNY=4.3363 NTD).

Other amounts are converted by the exchange rate at reporting date. (1 USD=31.444 NTD; 1 CNY=4.4972 NTD)

MEDIATEK INC.
1. STATEMENT OF CASH AND CASH EQUIVALENTS
As of December 31, 2025

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

Item	Description	Amount	Amount in Foreign Currencies	Note
Bank Deposits				
Foreign currency deposits		\$ 211,987	USD 6,660 CNY 571 JPY 0	1.USD1=NTD31.444 CNY1=NTD4.4972 JPY1=NTD0.2008
Savings and checking deposits		<u>1,093,337</u>		
Subtotal		<u>1,305,324</u>		
Time Deposits				
Time Deposits - NT Dollars		13,454,000		
Time Deposits - US Dollars		<u>105,638,710</u>	USD 3,359,582	2. The period is from March 20, 2025 to July 2, 2026, the interest rate is from 1.50% to 4.37%.
Subtotal		<u>119,092,710</u>		
Repurchase agreements		<u>700,000</u>		3. Maturity date is January 28, 2026, the interest rate is 1.60%.
Total		<u><u>\$ 121,098,034</u></u>		

MEDIATEK INC.

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

As of December 31, 2025

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

Financial Instruments	Description	Units	Contract Amount	Contract Period	Fair Value	Note
Forward exchange contracts						
Forward exchange contracts - purchase US dollars			USD 30,000	2025.12-2026.1	\$ <u>999</u>	

MEDIATEK INC.

3. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - CURRENT

As of December 31, 2025

(Amounts in Thousands of New Taiwan Dollar)

Financial Instruments	Shares	Acquisition Cost	Contract Period	Fair Value	Note
Equity instrument investments measured at fair value through other comprehensive income					
Taishin Financial Holding Co., Ltd. Class Z	3,249,000	\$ 57,345		<u>\$ 53,771</u>	

MEDIATEK INC.

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

As of December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Client	Description	Amount	Note
Trade receivables			
Client A		\$ 4,939,470	
Client B		4,307,292	
Client C		3,277,510	
Client D		2,277,653	
Others	Each amount of individual client in others does not exceed 5% of the account balance.	18,044,154	
Subtotal		<u>32,846,079</u>	
Less: Loss allowance		<u>(836)</u>	
Net amount		<u>32,845,243</u>	
Trade receivables from related parties			
MediaTek Singapore Pte. Ltd.		504,726	
Airoha Technology Corp.		197,908	
MediaTek Communication (Hefei) Co., Ltd.		177,951	
Other	Each amount of individual client in others does not exceed 5% of the account balance.	27,826	
Subtotal		<u>908,411</u>	
Total		<u>\$ 33,753,654</u>	

MEDIATEK INC.

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

As of December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other receivables			
Factoring receivables		\$ 787,681	
VAT deductibles		2,130,690	
Interest receivables		602,580	
Others	Each amount of individual item in others does not exceed 5% of the account balance.	931	
Subtotal		<u>3,521,882</u>	
Other receivables from related parties			
MediaTek Investment Singapore Pte. Ltd.	Dividends and capital reductions	4,716,600	
Others	Each amount of individual item in others does not exceed 5% of the account balance.	324,353	
Subtotal		<u>5,040,953</u>	
Total		<u><u>\$ 8,562,835</u></u>	

MEDIATEK INC.
6. STATEMENT OF INVENTORIES
As of December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount		Note
		Cost	Net Realizable Value	
Raw materials		\$ 1,730,083	\$ 3,165,122	
Work in process		42,020,863	84,850,980	
Finished goods		<u>15,112,384</u>	<u>35,012,856</u>	
Total		58,863,330	<u>\$ 123,028,958</u>	
Less : Allowance for				
inventory valuation losses		<u>(15,755,694)</u>		
Net Amount		<u>\$ 43,107,636</u>		

MEDIATEK INC.
7. STATEMENT OF PREPAYMENTS AND OTHER CURRENT ASSETS
As of December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Prepayments			
Payment in advance		\$ 3,505,014	
Prepaid supplies inventory		1,453,223	
Prepaid expenses		448,781	
Others	Each amount of individual item in others does not exceed 5% of the account balance.	85,850	
Subtotal		<u>5,492,868</u>	
Other Current Assets			
Temporary payments of tax	Sales tax and withholding income tax	950,685	
Others	Each amount of individual item in others does not exceed 5% of the account balance.	216,288	
Subtotal		<u>1,166,973</u>	
Total		<u>\$ 6,659,841</u>	

MEDIATEK INC.

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

For the year ended December 31, 2025

(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	945,000	<u>\$ 33,500</u>	-	<u>\$ -</u>	(252,000)	<u>\$ (11,340)</u>	<u>\$ (1,914)</u>	(693,000)	<u>\$ (31,185)</u>	<u>\$ 9,025</u>	-	<u>\$ -</u>	None	

MEDIATEK INC.

9. STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NONCURRENT
For the year ended December 31, 2025

(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	\$ 2,246,217	-	\$ -	-	\$ -	-	\$ -	\$ (226,142)	145,703,000	\$ 2,020,075	Not applicable	None	
Fund issued by Fubon Finacial Holdings Co., Ltd.	30,165,000	381,730	-	-	-	-	-	-	(49,091)	30,165,000	332,639	Not applicable	None	
Subtotal		<u>2,627,947</u>		<u>-</u>		<u>-</u>		<u>-</u>	<u>(275,233)</u>		<u>2,352,714</u>			
Stocks														
Chailease Finance Co., Ltd. Preferred Stock A	2,750,000	269,775	-	-	-	-	-	-	7,975	2,750,000	277,750	Not applicable	None	
WT Microelectronics Preferred Stock A	8,241,000	410,402	-	-	-	-	-	-	13,185	8,241,000	423,587	Not applicable	None	
Shin Kong Financial Holding Co., Ltd., Preferred Stock B	6,078,000	214,858	-	-	(1,610,000)	(69,230)	(4,468,000)	(192,123)	46,495	-	-	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock A	1,786,666	112,917	-	-	-	-	-	-	179	1,786,666	113,096	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock B	15,000,000	907,500	-	-	-	-	-	-	18,000	15,000,000	925,500	Not applicable	None	
FUBON Financial Holding Co., Ltd., Preferred Stock C	7,056,243	375,392	-	-	-	-	-	-	1,411	7,056,243	376,803	Not applicable	None	
Cathay Financial Holdings preferred stock A	2,405,000	146,705	-	-	-	-	-	-	(721)	2,405,000	145,984	Not applicable	None	
Taishin Financial Holding Co., Ltd. exchangeable preferred stock	45,325,000	725,200	-	-	(2,512,000)	(44,337)	(17,488,000)	(308,663)	46,929	25,325,000	419,129	Not applicable	None	
Intellectual Property Innovation Corp.	500,000	4,385	-	-	-	-	-	-	488	500,000	4,873	Not applicable	None	
Subtotal		<u>3,167,134</u>		<u>-</u>		<u>(113,567)</u>		<u>(500,786)</u>	<u>133,941</u>		<u>2,686,722</u>			
Total		<u>\$ 5,795,081</u>		<u>\$ -</u>		<u>\$ (113,567)</u>		<u>\$ (500,786)</u>	<u>\$ (141,292)</u>		<u>\$ 5,039,436</u>			
Debt instrument investments measured at fair value through other comprehensive income														
Bonds														
Chailease Finance Co., Ltd. 2022-1 Unsecured Corporate Bond	-	\$ 201,216	-	\$ -	-	\$ -	-	\$ -	\$ (1,216)	-	\$ 200,000			

MEDIATEK INC.

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

As of December 31, 2025

(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	1.7%	2024/06/13~2026/11/07	
Mega Bank	Land lease guarantee	25,980	0.685%~1.7%	2024/05/06~2026/12/23	
	Customs clearance deposits	26,000	1.225%~1.7%	2024/03/28~2026/09/28	
First Commercial Bank	Land lease guarantee	24,203	0.795%~1.435%	2024/05/06~2026/11/06	
	Subtotal	115,279			
Financial assets measured at amortized cost - noncurrent					
	Cathay Life Insurance.	290,000			
	KGI Securities Co., Ltd.	580,000			
	Taiwan Semiconductor Manufacturing Co., Ltd.	600,386			
	Cathay Financial Holdings Co., Ltd	290,000			
	Fubon Life Insurance Co., Ltd.	490,000			
	Vanguard International Semiconductor Corporation	100,000			
	Subtotal	2,350,386			
	Total	\$ 2,465,665			

MEDIATEK INC.
11. STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
For the year ended December 31, 2025

(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.	211,875,530	\$ 2,262,407	-	\$ 192,493	-	\$ (440,729)	\$ 343,571	211,875,530	100%	\$ 2,357,742	\$ 11.13	\$ 2,357,742	None	
MediaTek Investment Singapore Pte. Ltd.	1,571,845,498	219,557,269	-	1,422,392	(131,000,000)	(19,977,204)	8,139,144	1,440,845,498	100%	209,141,601	145.15	209,141,601	None	
MediaTek Singapore Pte. Ltd.	187,513,879	83,579,643	-	35,978	-	(58,899,060)	45,231,805	187,513,879	100%	69,948,366	373.03	69,948,366	None	
MStar Co., Ltd.	13,350,000	156,793	-	18,274	-	-	10,879	13,350,000	100%	185,946	13.93	185,946	None	
Spidcom Technologies	146,200	-	-	-	-	-	-	146,200	100%	-	-	-	None	
Richtek Technology Corp.	148,482,806	16,639,678	-	47,399	-	(2,529,499)	2,454,184	148,482,806	100%	16,611,762	111.88	16,611,762	None	
IC Plus Corp.	13,125,454	1,136,933	-	-	-	-	(18,473)	13,125,454	14%	1,118,460	48.80	640,522	None	
MediaTek Capital Co.	1,872,614,808	9,415,520	15,636,679	737,674	-	(305,338)	365,292	1,888,251,487	100%	10,213,148	5.41	10,213,148	None	
Airoha Technology Corp.	111,235,745	13,518,376	-	47,668	-	(1,410,392)	1,918,847	111,235,745	66%	14,074,499	442.5	49,221,817	None	
Hsu-Yuan Investment Corp.	250,000,000	2,451,311	-	-	-	-	13,705	250,000,000	100%	2,465,016	9.86	2,465,016	None	
MediaTek Research UK Limited	280,000	52,227	-	1,654	-	-	12,653	280,000	100%	66,534	237.62	66,534	None	
MediaTek Bangalore Private Limited	1,999,999	1,275,673	-	17,118	-	(552,429)	501,464	1,999,999	100%	1,241,826	620.91	1,241,826	None	
MediaTek Japan Inc.	7,100	44,655	-	6,355	-	(6,578)	8,179	7,100	100%	52,611	7,410.00	52,611	None	
MediaTek Korea Inc.	200,000	201,178	-	8,473	-	(5,133)	63,829	200,000	100%	268,347	1,341.74	268,347	None	
Total		<u>\$ 350,291,663</u>		<u>\$ 2,535,478</u>		<u>\$ (84,126,362)</u>	<u>\$ 59,045,079</u>			<u>\$ 327,745,858</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, 2025.

Note 4: Calculated based on the closing price of Taiwan Stock Exchange Corporation on December 31, 2025.

MEDIATEK INC.

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

As of December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Property, plant and equipment		<u>\$ 35,864,388</u>	Please refer to Note 6(11) of the notes to the financial statements.
Intangible assets		<u>\$ 60,029,192</u>	
Other non-current assets			Please refer to Note 6(13) of the notes to the financial statements.
Deferred tax assets		\$ 9,185,185	
Refundable deposits		3,947,620	
Other non-current assets-others		<u>515,935</u>	
Total		<u>\$ 13,648,740</u>	

MEDIATEK INC.
13. STATEMENT OF CHANGES IN RIGHT-OF-USE ASSET
For the year ended December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Beginning Balance	Acquisition	Lease termination and modification	Ending Balance	Note
Cost					
Land	\$ 1,905,721	\$ 20,489	\$ (38,880)	\$ 1,887,330	
Buildings and facilities	828,950	84,495	(110,878)	802,567	
Machinery equipment	258,535	408,412	(116,772)	550,175	
Transportation equipment	6,385	6,446	(6,385)	6,446	
Total	<u>\$ 2,999,591</u>	<u>\$ 519,842</u>	<u>\$ (272,915)</u>	<u>\$ 3,246,518</u>	
Accumulated depreciation					
Land	\$ 243,491	\$ 44,037	\$ -	\$ 287,528	
Buildings and facilities	461,236	176,545	(110,878)	526,903	
Machinery equipment	125,520	161,014	(116,772)	169,762	
Transportation equipment	6,240	880	(6,385)	735	
Total	<u>\$ 836,487</u>	<u>\$ 382,476</u>	<u>\$ (234,035)</u>	<u>\$ 984,928</u>	

MEDIATEK INC.

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

As of December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Supplier	Description	Amount	Note
Trade payables			
Supplier A		\$ 13,101,284	
Supplier B		2,611,157	
Supplier C		1,960,984	
Supplier D		1,609,608	
Supplier E		1,535,078	
Others	Each amount of individual vendor in others does not exceed 5% of the account balance.	8,605,736	
Subtotal		<u>29,423,847</u>	
Trade payables to related parties			
King Yuan Electronics Co., Ltd.		1,699,572	
Airoha Technology Corp.		359,559	
Others	Each amount of individual vendor in others does not exceed 5% of the account balance.	216,177	
Subtotal		<u>2,275,308</u>	
Total		<u>\$ 31,699,155</u>	

MEDIATEK INC.

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

As of December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other Payables			
Accrued salaries and bonuses		\$ 24,430,822	
Dividends payable		46,513,389	
Others	Each amount of individual item in others does not exceed 5% of the account balance.	13,920,581	
Subtotal		<u>84,864,792</u>	
Other Payables to related parties			
Other	Each amount of individual item in others does not exceed 5% of the account balance.	1,996,139	
Total		<u>\$ 86,860,931</u>	

MEDIATEK INC.
16. STATEMENT OF OTHER CURRENT LIABILITIES
As of December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Other current liabilities			
Refund liabilities		\$ 41,471,524	
Temporary receipts		1,448,582	
Other		365,090	
Total		<u>\$ 43,285,196</u>	

MEDIATEK INC.
17. STATEMENT OF LEASE LIABILITIES
As of December 31, 2025

(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%	\$ 1,667,411	
Buildings and facilities	2021/05/01-2027/12/31	0.310%-1.541%	283,775	
Machinery equipment	2024/01/01-2028/06/11	3.962%-5.073%	307,043	
Transportation equipment	2025/06/01-2029/05/29	1.292%	5,654	
Total			<u>2,263,883</u>	
Less: current portion			(391,103)	
Noncurrent portion			<u>\$ 1,872,780</u>	

MEDIATEK INC.
18. STATEMENT OF OTHER NON-CURRENT LIABILITIES
As of December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Description	Amount	Note
Long-term payables		\$ 3,819,688	
Long-term payables to related parties		65,717,960	
Net defined benefit liabilities - noncurrent		380,285	
Deposits received		55,455	
Deferred tax liabilities		8,562,639	
Others	Each amount of individual item in others does not exceed 5% of the account balance.	926,688	
Total		<u>\$ 79,462,715</u>	

MEDIATEK INC.
19. STATEMENT OF NET SALES
For the year ended December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Units (Die)	Amount	Note
Sales of goods - multimedia chip and mobile phone chip	2,868,560,300	\$ 319,246,812	
Services and other operating revenue		<u>15,100,534</u>	
Net operating revenue		<u>\$ 334,347,346</u>	

MEDIATEK INC.
20. STATEMENT OF OPERATING COSTS
For the year ended December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Amount		Note
	Subtotal	Total	
Cost of Goods Sold of Self-made Product			
Direct material			
Beginning of year	\$ 1,187,907		
Add: Raw material purchased	131,473,826		
Less: Raw material, end of year	<u>(1,730,083)</u>		
Direct material used		\$ 130,931,650	
Manufacturing Expenses	<u>38,266,640</u>	<u>38,266,640</u>	
Manufacturing Costs		169,198,290	
Add: Work in process, beginning of year	28,313,295		
Work in process purchased	12,395,659		
Less: Work in process, end of year	<u>(42,020,863)</u>	<u>(1,311,909)</u>	
Cost of Finished Goods		167,886,381	
Add: Finished goods, beginning of year	14,789,510		
Finished goods purchased	899,733		
Less: Finished goods, end of year	<u>(15,112,384)</u>		
Transferred to operating expenses	<u>(1,411,392)</u>	<u>(834,533)</u>	
Subtotal		167,051,848	
Other Operating Costs			
Reversals of write-downs of inventories		(921,399)	
Gain on sales of scrap		(248,147)	
Others		<u>(3,623,314)</u>	
Total Operating Costs		<u>\$ 162,258,988</u>	

MEDIATEK INC.
21. STATEMENT OF OPERATING EXPENSES
For the year ended December 31, 2025

(Amounts in Thousands of New Taiwan Dollars)

Item	Research and Development Expenses	Administrative Expenses	Selling Expenses
Payroll and related expenses	\$ 56,232,272	\$ 3,400,182	\$ 657,260
Depreciation	7,980,629	631,968	412
Amortization	6,097,057	18,487	12,902
Service fee and advertisement expenses	4,956,010	335,376	2,118,981
License fee	5,160,571	-	8,446,987
Design and experiment expenses	27,041,779	-	-
Others	2,623,703	868,344	1,492,537
Total	<u>\$ 110,092,021</u>	<u>\$ 5,254,357</u>	<u>\$ 12,729,079</u>

MEDIATEK INC.

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

For the years ended December 31, 2025 and 2024

(Amounts in Thousands of New Taiwan Dollars)

Function Nature	For the year ended December 31, 2025			For the year ended December 31, 2024		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Payroll	\$ 754,414	\$ 55,810,161	\$ 56,564,575	\$ 906,700	\$ 55,855,584	\$ 56,762,284
Labor and health	62,460	2,348,485	2,410,945	66,719	2,133,292	2,200,011
Pension	30,695	1,135,673	1,166,368	35,216	1,092,057	1,127,273
Board compensation	-	120,155	120,155	-	119,230	119,230
Others	19,665	875,240	894,905	21,341	871,088	892,429
Employee benefits expenses (Note)	<u>\$ 867,234</u>	<u>\$ 60,289,714</u>	<u>\$ 61,156,948</u>	<u>\$ 1,029,976</u>	<u>\$ 60,071,251</u>	<u>\$ 61,101,227</u>
Depreciation	\$ 418,395	\$ 8,613,009	\$ 9,031,404	\$ 336,239	\$ 7,576,373	\$ 7,912,612
Amortization	\$ 10,105	\$ 6,128,446	\$ 6,138,551	\$ 7,257	\$ 5,262,980	\$ 5,270,237

NOTE:

1. For the years end December 31, 2025 and 2024, the Company had 12,304 and 12,256 employees on average, respectively, which included 6 and 5 non-employee directors , respectively.
2. Employee benefits expenses in average were NT\$4,963 thousand and NT\$4,978 thousand for the years ended December 31, 2025 and 2024, respectively.
3. Payroll expenses in average were NT\$4,599 thousand and NT\$4,633 thousand for the years ended December 31, 2025 and 2024, respectively.
4. Average payroll decreased by 1%.

(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 (of the amount so allocated as employees' compensation, no less than 50% shall be allocated to the non-executive employees). 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.