

Taiwan probes insider trading in chip takeover

May 3 2013

Prosecutors are probing alleged insider trading connected to a \$3.8 billion takeover of a Taiwan chip design company.

Prosecutor Huang Mou-hsin said late Thursday that just before MediaTek's board approved a deal to buy its main rival MStar Semiconductor last June, four officials from the two companies bought shares of MStar. Following the announcement, shares of MStar surged more than 10 percent.

Chips designed by the two companies for use in televisions have a combined 70 percent [global market share](#). The takeover has been approved by Taiwanese and South Korean regulators but has yet to get approval from China's [antitrust regulators](#).

MediaTek is best known for its chipsets that power low-end Android handsets produced in China. It said its operations will not be affected by the probe.

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