

**Alchip Technologies, Limited and
Subsidiaries**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2025 and 2024 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Shareholders
Alchip Technologies, Limited

Introduction

We have reviewed the accompanying consolidated balance sheets of Alchip Technologies, Limited and its subsidiaries (collectively, the "Group") as of March 31, 2025 and 2024, and the related consolidated statements of comprehensive income, the consolidated statements of changes in equity and cash flows for the three months then ended, and the related notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with the Standards on Review Engagements of the Republic of China 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2025 and 2024, its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2025 and 2024 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

The engagement partners on the reviews resulting in this independent auditors' review report are Chien-Liang Liu and Li-Chun Chang.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 9, 2025

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance 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 consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 38,262,852	66	\$ 27,044,210	54	\$ 24,505,272	48
Financial assets at fair value through other comprehensive income (Note 7)	82,822	-	15,936	-	98,109	-
Financial assets at amortized cost (Notes 8 and 28)	4,645,773	8	2,367,661	5	1,433,379	3
Trade receivables, net (Note 10)	2,794,776	5	5,729,833	11	4,062,782	8
Trade receivables due from related parties (Notes 10 and 27)	-	-	-	-	144,672	-
Other receivables	134,183	-	408,040	1	314,687	1
Inventories (Note 11)	5,754,313	10	8,660,525	17	13,664,686	27
Prepayments (Notes 16, 27 and 29)	872,970	2	1,651,686	3	3,104,639	6
Other current assets	73,659	-	305,987	1	229,954	-
Total current assets	52,621,348	91	46,183,878	92	47,558,180	93
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 7)	1,446,998	3	1,389,686	3	367,864	1
Financial assets at amortized cost (Notes 8 and 28)	92,516	-	91,216	-	90,204	-
Investments accounted for using the equity method (Note 27)	95,802	-	118,959	-	71,452	-
Property, plant and equipment (Note 13)	2,488,277	4	1,775,456	4	1,825,297	4
Right-of-use assets (Note 14)	213,059	-	233,131	-	267,852	1
Intangible assets (Note 15)	271,224	1	247,930	1	286,375	1
Deferred tax assets	244,448	1	168,603	-	130,418	-
Prepayments for equipment	-	-	-	-	262,127	-
Other non-current assets	104,821	-	100,496	-	98,457	-
Total non-current assets	4,957,145	9	4,125,477	8	3,400,046	7
TOTAL	\$ 57,578,493	100	\$ 50,309,355	100	\$ 50,958,226	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Note 20)	\$ 11,288,452	20	\$ 6,113,935	12	\$ 11,099,117	22
Trade payables	1,217,491	2	1,826,327	4	3,803,507	7
Other payables (Note 17)	1,900,541	4	1,682,797	3	1,296,602	3
Other payables to related parties (Note 27)	-	-	35,441	-	5,408	-
Current tax liabilities	1,283,528	2	898,373	2	1,032,433	2
Lease liabilities (Note 14)	69,913	-	75,430	-	83,454	-
Other current liabilities	58,548	-	39,386	-	171,152	-
Total current liabilities	15,818,473	28	10,671,689	21	17,491,673	34
NON-CURRENT LIABILITIES						
Deferred tax liabilities	507	-	6,116	-	798	-
Lease liabilities (Note 14)	129,321	-	131,900	1	169,274	1
Deferred revenue	23,129	-	22,804	-	22,551	-
Total non-current liabilities	152,957	-	160,820	1	192,623	1
Total liabilities	15,971,430	28	10,832,509	22	17,684,296	35
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 18 and 19)						
Share capital	808,557	2	806,485	2	789,352	2
Capital surplus	25,490,655	44	25,350,477	50	23,493,254	46
Retained earnings						
Special reserve	67,693	-	67,693	-	67,693	-
Unappropriated earnings	12,148,072	21	10,684,554	21	7,259,222	14
Total retained earnings	12,215,765	21	10,752,247	21	7,326,915	14
Other equity	3,073,137	5	2,546,513	5	1,648,090	3
Total equity attributable to owners of the Company	41,588,114	72	39,455,722	78	33,257,611	65
NON-CONTROLLING INTERESTS	18,949	-	21,124	-	16,319	-
Total equity	41,607,063	72	39,476,846	78	33,273,930	65
TOTAL	\$ 57,578,493	100	\$ 50,309,355	100	\$ 50,958,226	100

The accompanying notes are an integral part of the consolidated financial statements.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of U.S. Dollars)

ASSETS	March 31, 2025		December 31, 2024		March 31, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,152,322	66	\$ 824,896	54	\$ 765,790	48
Financial assets at fair value through other comprehensive income (Note 7)	2,494	-	486	-	3,066	-
Financial assets at amortized cost (Notes 8 and 28)	139,912	8	72,218	5	44,793	3
Trade receivables, net (Note 10)	84,167	5	174,770	11	126,962	8
Trade receivables due from related parties (Notes 10 and 27)	-	-	-	-	4,521	-
Other receivables	4,041	-	12,446	1	9,834	1
Inventories (Note 11)	173,297	10	264,161	17	427,021	27
Prepayments (Notes 16, 27 and 29)	26,290	2	50,379	3	97,020	6
Other current assets	2,219	-	9,333	1	7,187	-
Total current assets	1,584,742	91	1,408,689	92	1,486,194	93
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 7)	43,578	3	42,388	3	11,496	1
Financial assets at amortized cost (Notes 8 and 28)	2,786	-	2,782	-	2,819	-
Investments accounted for using the equity method (Note 27)	2,885	-	3,628	-	2,233	-
Property, plant and equipment (Note 13)	74,937	4	54,155	4	57,041	4
Right-of-use assets (Note 14)	6,416	-	7,111	-	8,370	1
Intangible assets (Note 15)	8,168	1	7,562	1	8,949	1
Deferred tax assets	7,361	1	5,143	-	4,076	-
Prepayments for equipment	-	-	-	-	8,191	-
Other non-current assets	3,156	-	3,065	-	3,077	-
Total non-current assets	149,287	9	125,834	8	106,252	7
TOTAL	\$ 1,734,029	100	\$ 1,534,523	100	\$ 1,592,446	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Note 20)	\$ 339,962	20	\$ 186,486	12	\$ 346,847	22
Trade payables	36,666	2	55,706	4	118,860	7
Other payables (Note 17)	57,237	4	51,328	3	40,519	3
Other payables to related parties (Note 27)	-	-	1,081	-	169	-
Current tax liabilities	38,655	2	27,402	2	32,264	2
Lease liabilities (Note 14)	2,105	-	2,301	-	2,608	-
Other current liabilities	1,764	-	1,201	-	5,348	-
Total current liabilities	476,389	28	325,505	21	546,615	34
NON-CURRENT LIABILITIES						
Deferred tax liabilities	15	-	187	-	25	-
Lease liabilities (Note 14)	3,895	-	4,023	1	5,290	1
Deferred revenue	696	-	695	-	705	-
Total non-current liabilities	4,606	-	4,905	1	6,020	1
Total liabilities	480,995	28	330,410	22	552,635	35
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 18 and 19)						
Share capital	25,878	1	25,815	1	25,285	2
Capital surplus	834,790	48	830,536	54	772,886	48
Retained earnings						
Special reserve	2,799	-	2,799	-	2,799	-
Unappropriated earnings	391,293	23	346,802	23	240,583	15
Total retained earnings	394,092	23	349,601	23	243,382	15
Other equity	(2,341)	-	(2,521)	-	(2,272)	-
Total equity attributable to owners of the Company	1,252,419	72	1,203,431	78	1,039,281	65
NON-CONTROLLING INTERESTS	615	-	682	-	530	-
Total equity	1,253,034	72	1,204,113	78	1,039,811	65
TOTAL	\$ 1,734,029	100	\$ 1,534,523	100	\$ 1,592,446	100

The accompanying notes are an integral part of the consolidated financial statements.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars or U.S. Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31					
	2025			2024		
	USD	NTD	%	USD	NTD	%
OPERATING REVENUE (Note 20)	\$ 318,737	\$ 10,484,855	100	\$ 333,566	\$ 10,489,988	100
OPERATING COSTS (Notes 11 and 21)	<u>244,904</u>	<u>8,056,107</u>	<u>77</u>	<u>270,891</u>	<u>8,518,981</u>	<u>81</u>
GROSS PROFIT	<u>73,833</u>	<u>2,428,748</u>	<u>23</u>	<u>62,675</u>	<u>1,971,007</u>	<u>19</u>
OPERATING EXPENSES (Notes 10, 21 and 27)						
Selling and marketing expenses	1,858	61,112	1	1,876	59,009	1
General and administrative expenses	5,701	187,544	2	7,927	249,278	2
Research and development expenses	14,187	466,678	4	15,381	483,702	5
Expected credit loss (gain) on trade receivables	<u>6,656</u>	<u>218,954</u>	<u>2</u>	<u>(1,040)</u>	<u>(32,714)</u>	<u>-</u>
Total operating expenses	<u>28,402</u>	<u>934,288</u>	<u>9</u>	<u>24,144</u>	<u>759,275</u>	<u>8</u>
PROFIT FROM OPERATIONS	<u>45,431</u>	<u>1,494,460</u>	<u>14</u>	<u>38,531</u>	<u>1,211,732</u>	<u>11</u>
NON-OPERATING INCOME AND EXPENSES (Note 21)						
Interest income	10,045	330,412	3	8,850	278,318	3
Other income	476	15,654	-	1,712	53,821	-
Other gains and losses	(839)	(27,588)	-	497	15,626	-
Finance costs	(57)	(1,876)	-	(77)	(2,412)	-
Expected credit (loss) gain	-	(3)	-	5	168	-
Share of loss of associates by the equity method	<u>(544)</u>	<u>(17,880)</u>	<u>-</u>	<u>(776)</u>	<u>(24,412)</u>	<u>-</u>
Total non-operating income and expenses	<u>9,081</u>	<u>298,719</u>	<u>3</u>	<u>10,211</u>	<u>321,109</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	54,512	1,793,179	17	48,742	1,532,841	14
INCOME TAX EXPENSE (Note 22)	<u>10,088</u>	<u>331,836</u>	<u>3</u>	<u>9,749</u>	<u>306,578</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>44,424</u>	<u>1,461,343</u>	<u>14</u>	<u>38,993</u>	<u>1,226,263</u>	<u>11</u>
OTHER COMPREHENSIVE INCOME (LOSS)						
Items that will not be reclassified subsequently to profit or loss:						
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(148)	(4,873)	-	(3,431)	(107,897)	(1)
Exchange differences on translation to the presentation currency	-	520,676	5	-	1,036,592	10
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translation of the financial statements of foreign operations	205	6,758	-	(222)	(6,981)	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	<u>123</u>	<u>4,063</u>	<u>-</u>	<u>(3)</u>	<u>(91)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>180</u>	<u>526,624</u>	<u>5</u>	<u>(3,656)</u>	<u>921,623</u>	<u>9</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 44,604</u>	<u>\$ 1,987,967</u>	<u>19</u>	<u>\$ 35,337</u>	<u>\$ 2,147,886</u>	<u>20</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO						
Owners of the Company	\$ 44,491	\$ 1,463,518	14	\$ 39,120	\$ 1,230,247	11
Non-controlling interests	<u>(67)</u>	<u>(2,175)</u>	<u>-</u>	<u>(127)</u>	<u>(3,984)</u>	<u>-</u>
	<u>\$ 44,424</u>	<u>\$ 1,461,343</u>	<u>14</u>	<u>\$ 38,993</u>	<u>\$ 1,226,263</u>	<u>11</u>

(Continued)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars or U.S. Dollars, Except Earnings Per Share)

	For the Three Months Ended March 31					
	2025			2024		
	USD	NTD	%	USD	NTD	%
TOTAL COMPREHENSIVE INCOME (LOSS)						
ATTRIBUTABLE TO						
Owners of the Company	\$ 44,671	\$ 1,990,142	19	\$ 35,464	\$ 2,151,870	20
Non-controlling interests	(67)	(2,175)	-	(127)	(3,984)	-
	<u>\$ 44,604</u>	<u>\$ 1,987,967</u>	<u>19</u>	<u>\$ 35,337</u>	<u>\$ 2,147,886</u>	<u>20</u>
EARNINGS PER SHARE (Note 23)						
Basic	<u>\$ 0.55</u>	<u>\$ 18.13</u>		<u>\$ 0.50</u>	<u>\$ 15.83</u>	
Diluted	<u>\$ 0.54</u>	<u>\$ 17.69</u>		<u>\$ 0.48</u>	<u>\$ 15.14</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company								Other Equity		Total	Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Capital Surplus		Total	Special Reserve	Retained Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income			
			Share Options	Other			Unappropriated Earnings	Total					
BALANCE AT JANUARY 1, 2024	\$ 743,187	\$ 9,555,301	\$ 864,395	\$ -	\$ 10,419,696	\$ 67,693	\$ 6,057,071	\$ 6,124,764	\$ 659,382	\$ 67,085	\$ 18,014,114	\$ 20,303	\$ 18,034,417
Issuance of ordinary shares in the form of sponsored Global Depositary Receipts	37,000	12,782,410	-	-	12,782,410	-	-	-	-	-	12,819,410	-	12,819,410
Share-based payments	-	-	70,605	-	70,605	-	-	-	-	-	70,605	-	70,605
Issuance of ordinary shares under the employee share options	9,165	337,579	(117,036)	-	220,543	-	-	-	-	-	229,708	-	229,708
Net profit for the three months ended March 31, 2024	-	-	-	-	-	-	1,230,247	1,230,247	-	-	1,230,247	(3,984)	1,226,263
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	-	-	1,029,611	(107,988)	921,623	-	921,623
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	1,230,247	1,230,247	1,029,611	(107,988)	2,151,870	(3,984)	2,147,886
Changes in capital surplus from investments in associates for using the equity method	-	-	-	-	-	-	(28,096)	(28,096)	-	-	(28,096)	-	(28,096)
BALANCE AT MARCH 31, 2024	<u>\$ 789,352</u>	<u>\$ 22,675,290</u>	<u>\$ 817,964</u>	<u>\$ -</u>	<u>\$ 23,493,254</u>	<u>\$ 67,693</u>	<u>\$ 7,259,222</u>	<u>\$ 7,326,915</u>	<u>\$ 1,688,993</u>	<u>\$ (40,903)</u>	<u>\$ 33,257,611</u>	<u>\$ 16,319</u>	<u>\$ 33,273,930</u>
BALANCE AT JANUARY 1, 2025	\$ 806,485	\$ 24,512,204	\$ 818,578	\$ 19,695	\$ 25,350,477	\$ 67,693	\$ 10,684,554	\$ 10,752,247	\$ 2,592,518	\$ (46,005)	\$ 39,455,722	\$ 21,124	\$ 39,476,846
Share-based payments	-	-	34,111	-	34,111	-	-	-	-	-	34,111	-	34,111
Issuance of ordinary shares under the employee share options	2,072	181,962	(69,522)	-	112,440	-	-	-	-	-	114,512	-	114,512
Net profit for the three months ended March 31, 2025	-	-	-	-	-	-	1,463,518	1,463,518	-	-	1,463,518	(2,175)	1,461,343
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	-	-	527,434	(810)	526,624	-	526,624
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	1,463,518	1,463,518	527,434	(810)	1,990,142	(2,175)	1,987,967
Changes in capital surplus from investments in associates for using the equity method	-	-	-	(6,373)	(6,373)	-	-	-	-	-	(6,373)	-	(6,373)
BALANCE AT MARCH 31, 2025	<u>\$ 808,557</u>	<u>\$ 24,694,166</u>	<u>\$ 783,167</u>	<u>\$ 13,322</u>	<u>\$ 25,490,655</u>	<u>\$ 67,693</u>	<u>\$ 12,148,072</u>	<u>\$ 12,215,765</u>	<u>\$ 3,119,952</u>	<u>\$ (46,815)</u>	<u>\$ 41,588,114</u>	<u>\$ 18,949</u>	<u>\$ 41,607,063</u>

The accompanying notes are an integral part of the consolidated financial statements.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of U.S. Dollars)

	Equity Attributable to Owners of the Company									Other Equity			Non-controlling Interests	Total Equity
	Share Capital	Share Premium	Capital Surplus			Special Reserve	Retained Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Valuation Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total			
			Share Options	Other	Total		Unappropriated Earnings	Total						
BALANCE AT JANUARY 1, 2024	\$ 23,814	\$ 328,712	\$ 27,603	\$ -	\$ 356,315	\$ 2,799	\$ 202,377	\$ 205,176	\$ (910)	\$ 2,294	\$ 586,689	\$ 657	\$ 587,346	
Issuance of ordinary shares in the form of sponsored Global Depositary Receipts	1,179	407,317	-	-	407,317	-	-	-	-	-	408,496	-	408,496	
Share-based payments	-	-	2,245	-	2,245	-	-	-	-	-	2,245	-	2,245	
Issuance of ordinary shares under the employee share options	292	11,356	(4,347)	-	7,009	-	-	-	-	-	7,301	-	7,301	
Net profit for the three months ended March 31, 2024	-	-	-	-	-	-	39,120	39,120	-	-	39,120	(127)	38,993	
Other comprehensive income (loss) for the three months ended March 31, 2024, net of income tax	-	-	-	-	-	-	-	-	(222)	(3,434)	(3,656)	-	(3,656)	
Total comprehensive income (loss) for the three months ended March 31, 2024	-	-	-	-	-	-	39,120	39,120	(222)	(3,434)	35,464	(127)	35,337	
Changes in capital surplus from investments in associates for using the equity method	-	-	-	-	-	-	(914)	(914)	-	-	(914)	-	(914)	
BALANCE AT MARCH 31, 2024	<u>\$ 25,285</u>	<u>\$ 747,385</u>	<u>\$ 25,501</u>	<u>\$ -</u>	<u>\$ 772,886</u>	<u>\$ 2,799</u>	<u>\$ 240,583</u>	<u>\$ 243,382</u>	<u>\$ (1,132)</u>	<u>\$ (1,140)</u>	<u>\$ 1,039,281</u>	<u>\$ 530</u>	<u>\$ 1,039,811</u>	
BALANCE AT JANUARY 1, 2025	\$ 25,815	\$ 804,334	\$ 25,585	\$ 617	\$ 830,536	\$ 2,799	\$ 346,802	\$ 349,601	\$ (1,293)	\$ (1,228)	\$ 1,203,431	\$ 682	\$ 1,204,113	
Share-based payments	-	-	1,037	-	1,037	-	-	-	-	-	1,037	-	1,037	
Issuance of ordinary shares under the employee share options	63	5,685	(2,268)	-	3,417	-	-	-	-	-	3,480	-	3,480	
Net profit for the three months ended March 31, 2025	-	-	-	-	-	-	44,491	44,491	-	-	44,491	(67)	44,424	
Other comprehensive income (loss) for the three months ended March 31, 2025, net of income tax	-	-	-	-	-	-	-	-	205	(25)	180	-	180	
Total comprehensive income (loss) for the three months ended March 31, 2025	-	-	-	-	-	-	44,491	44,491	205	(25)	44,671	(67)	44,604	
Changes in capital surplus from investments in associates for using the equity method	-	-	-	(200)	(200)	-	-	-	-	-	(200)	-	(200)	
BALANCE AT MARCH 31, 2025	<u>\$ 25,878</u>	<u>\$ 810,019</u>	<u>\$ 24,354</u>	<u>\$ 417</u>	<u>\$ 834,790</u>	<u>\$ 2,799</u>	<u>\$ 391,293</u>	<u>\$ 394,092</u>	<u>\$ (1,088)</u>	<u>\$ (1,253)</u>	<u>\$ 1,252,419</u>	<u>\$ 615</u>	<u>\$ 1,253,034</u>	

The accompanying notes are an integral part of the consolidated financial statements.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars or U.S. Dollars)

	For the Three Months Ended March 31			
	2025		2024	
	USD	NTD	USD	NTD
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	\$ 54,512	\$ 1,793,179	\$ 48,742	\$ 1,532,841
Adjustments for:				
Depreciation and amortization	27,046	889,691	12,942	407,044
Expected credit loss (gain)	6,656	218,957	(1,045)	(32,882)
Finance costs	57	1,876	77	2,412
Interest income	(10,045)	(330,412)	(8,850)	(278,318)
Share-based compensation	1,037	34,111	2,245	70,605
Share of loss of associates by the equity method	544	17,880	776	24,412
Loss (gain) on disposal of equipment	5	155	(7)	(234)
Write-down (reversal) of inventories	3,160	103,956	(920)	(28,927)
Net unrealized loss (gain) on foreign currency exchange	882	28,970	(443)	(17,669)
Amortization of prepayments	2,431	79,957	2,578	81,081
Net changes in operating assets and liabilities				
Trade receivables	83,954	2,761,670	(50,949)	(1,602,254)
Other receivables	8,210	270,076	(1,324)	(41,657)
Inventories	87,704	2,885,036	(47,856)	(1,505,010)
Prepayments	19,528	642,369	(72,514)	(2,280,406)
Other current assets	7,114	234,042	(1,100)	(34,568)
Contract liabilities	153,476	5,048,615	7,887	248,035
Trade payables	(19,039)	(626,294)	56,062	1,763,022
Other payables	2,658	87,386	6,613	211,622
Other payables to related parties	(1,081)	(35,559)	169	5,408
Other current liabilities	563	18,483	3,285	103,344
Deferred revenue	1	32	(396)	(12,466)
Net cash generated from (used in) operations	429,373	14,124,176	(44,028)	(1,384,565)
Interest paid	(57)	(1,876)	(77)	(2,412)
Income tax paid	(1,232)	(40,527)	(234)	(7,389)
Net cash generated from (used in) operating activities	428,084	14,081,773	(44,339)	(1,394,366)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial assets at fair value through other comprehensive income	(3,239)	(106,531)	(989)	(31,101)
Purchase of financial assets at amortized cost	(129,725)	(4,267,299)	(35,724)	(1,123,438)

(Continued)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars or U.S. Dollars)

	For the Three Months Ended March 31			
	2025		2024	
	USD	NTD	USD	NTD
Proceeds from sale of financial assets at amortized cost	\$ 62,019	\$ 2,040,112	\$ 117,597	\$ 3,698,193
Acquisition of investments accounted for the equity method	-	-	(2,100)	(67,001)
Payments for purchase of equipment	(42,222)	(1,388,883)	(11,511)	(362,019)
Proceeds from disposal of equipment	4	134	15	469
Payments for refundable deposits	(88)	(2,901)	(140)	(4,400)
Inward of refundable deposits	9	301	71	2,235
Payments for purchase of intangible assets	(53)	(1,732)	(2,397)	(75,410)
Increase in prepayments for equipment	-	-	(8,191)	(257,606)
Interest received	<u>10,259</u>	<u>337,455</u>	<u>7,069</u>	<u>222,327</u>
Net cash (used in) generated from investing activities	<u>(103,036)</u>	<u>(3,389,344)</u>	<u>63,700</u>	<u>2,002,249</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of the principal portion of lease liabilities	(459)	(15,089)	(492)	(15,492)
Proceeds from issuance of ordinary shares in the form of sponsored Global Depositary Receipts	-	-	408,496	12,819,410
Proceeds from exercise of employee share options	<u>3,480</u>	<u>114,512</u>	<u>7,301</u>	<u>229,708</u>
Net cash generated from financing activities	<u>3,021</u>	<u>99,423</u>	<u>415,305</u>	<u>13,033,626</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>(643)</u>	<u>426,790</u>	<u>248</u>	<u>704,207</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	327,426	11,218,642	434,914	14,345,716
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>824,896</u>	<u>27,044,210</u>	<u>330,876</u>	<u>10,159,556</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 1,152,322</u>	<u>\$ 38,262,852</u>	<u>\$ 765,790</u>	<u>\$ 24,505,272</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024 (In Thousands of U.S. Dollars and New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Alchip Technologies, Limited (the “Company”) was incorporated in the Cayman Islands on February 27, 2003. The Company is mainly engaged in the research and development, design and manufacture of fabless application specific integrated circuits (ASIC) and system on a chip (SOC) and the rendering of related services.

The Company’s shares have been listed on the Taiwan Stock Exchange (TWSE) since October 28, 2014. In January 2021, the Company listed some of its shares of stock on the Luxembourg Stock Exchange (LuxSE) in the form of Global Depositary Receipts (GDRs) (Note 18).

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company’s board of directors on May 9, 2025.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) (collectively, the “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the Amendments to IAS 21 “Lack of Exchangeability” did not have a material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2026

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of classification of financial assets	January 1, 2026 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2026. It is permitted to apply these amendments for an earlier period beginning on January 1, 2025.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments” - the amendments to the application guidance of derecognition of financial liabilities	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impact of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in the consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

The functional currencies of the Group are the U.S. dollar, Japanese Yen, Malaysian Ringgit, and Vietnamese Dong. For greater comparability and consistency of financial reporting, the consolidated financial statements are presented in New Taiwan dollars since the Company’s shares are listed on the Taiwan Stock Exchange.

The translation process is as follows, assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; equity items are translated at the historical rates, and income and expense items are translated at the average exchange rates for the period, the resulting currency translation differences are recognized into the exchange differences on translation of the financial statements of foreign operations.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Table 4 and Table 5 for detailed information on subsidiaries, including percentages of ownership and main businesses.

d. Other material accounting policies

Except for the following, please refer to the consolidated financial statements for the year ended December 31, 2024.

Income tax expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

Key Sources of Estimation Uncertainty

Impairment of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of products of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value. Due to the ongoing uncertainty surrounding the development of policies and regulations related to the semiconductor industry, product life cycles may be subject to greater volatility, thereby increasing the uncertainty in assessing impairment of inventories.

6. CASH AND CASH EQUIVALENTS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Demand deposits	\$ 33,319,189	\$ 20,616,900	\$ 4,637,696
Cash equivalents (time deposits with original maturities of 3 months or less)	4,920,192	6,419,978	19,831,431
Checking accounts	23,087	6,987	35,837
Petty cash	<u>384</u>	<u>345</u>	<u>308</u>
	<u>\$ 38,262,852</u>	<u>\$ 27,044,210</u>	<u>\$ 24,505,272</u>
			(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>USD</u>			
Demand deposits	\$ 1,003,439	\$ 628,851	\$ 144,928
Cash equivalents (time deposits with original maturities of 3 months or less)	148,176	195,821	619,732
Checking accounts	695	213	1,120
Petty cash	<u>12</u>	<u>11</u>	<u>10</u>
	<u>\$ 1,152,322</u>	<u>\$ 824,896</u>	<u>\$ 765,790</u>
			(Concluded)

The market rate intervals of cash in bank at the end of the reporting period were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Cash in bank	0.01%-4.60%	0.01%-5.26%	0.01%-5.44%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Investment in debt instruments (a)	\$ 1,130,279	\$ 1,106,998	\$ 221,071
Investment in equity instruments (b)	<u>399,541</u>	<u>298,624</u>	<u>244,902</u>
	<u>\$ 1,529,820</u>	<u>\$ 1,405,622</u>	<u>\$ 465,973</u>
Current	\$ 82,822	\$ 15,936	\$ 98,109
Non-current	<u>1,446,998</u>	<u>1,389,686</u>	<u>367,864</u>
	<u>\$ 1,529,820</u>	<u>\$ 1,405,622</u>	<u>\$ 465,973</u>

<u>USD</u>			
Investment in debt instruments (a)	\$ 34,039	\$ 33,765	\$ 6,909
Investment in equity instruments (b)	<u>12,033</u>	<u>9,109</u>	<u>7,653</u>
	<u>\$ 46,072</u>	<u>\$ 42,874</u>	<u>\$ 14,562</u>
Current	\$ 2,494	\$ 486	\$ 3,066
Non-current	<u>43,578</u>	<u>42,388</u>	<u>11,496</u>
	<u>\$ 46,072</u>	<u>\$ 42,874</u>	<u>\$ 14,562</u>

a. Investments in debt instruments

The Group's investment in debt instruments primarily consist of investments in overseas corporate bonds. For detailed information of Bond, please refer to Table 1. The coupon rates of the bonds range from 1.25% to 6.30% and effective interest rates range from 1.19% to 5.60%.

Refer to Note 9 for information on credit risk management and impairment assessment related to debt instruments classified as at FVTOCI.

b. Investments in equity instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 9,173	\$ 10,123	\$ 15,605
Foreign investments			
Equity investment fund	<u>390,368</u>	<u>288,501</u>	<u>229,297</u>
	<u>\$ 399,541</u>	<u>\$ 298,624</u>	<u>\$ 244,902</u>
<u>USD</u>			
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ 276	\$ 309	\$ 488
Foreign investments			
Equity investment fund	<u>11,757</u>	<u>8,800</u>	<u>7,165</u>
	<u>\$ 12,033</u>	<u>\$ 9,109</u>	<u>\$ 7,653</u>

The Group invested in Uniconn Interconnections Technology Co., Ltd., KQ (Shenzhen) Semiconductor Technology Industry Equity Investment Fund, KQ (Suzhou) Emerging Industry Venture Equity Investment Fund and ACHI CAPITAL PARTNERS FUND L.P. for medium to long-term strategic purposes. Accordingly, the management designates these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

8. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Time deposits with original maturities of more than 3 months	\$ 4,708,011	\$ 2,428,787	\$ 1,513,254
Pledged time deposits (Note 28)	<u>30,278</u>	<u>30,090</u>	<u>10,329</u>
	<u>\$ 4,738,289</u>	<u>\$ 2,458,877</u>	<u>\$ 1,523,583</u>
Current	\$ 4,645,773	\$ 2,367,661	\$ 1,433,379
Non-current	<u>92,516</u>	<u>91,216</u>	<u>90,204</u>
	<u>\$ 4,738,289</u>	<u>\$ 2,458,877</u>	<u>\$ 1,523,583</u>
<u>USD</u>			
Time deposits with original maturities of more than 3 months	\$ 141,786	\$ 74,082	\$ 47,289
Pledged time deposits (Note 28)	<u>912</u>	<u>918</u>	<u>323</u>
	<u>\$ 142,698</u>	<u>\$ 75,000</u>	<u>\$ 47,612</u>
Current	\$ 139,912	\$ 72,218	\$ 44,793
Non-current	<u>2,786</u>	<u>2,782</u>	<u>2,819</u>
	<u>\$ 142,698</u>	<u>\$ 75,000</u>	<u>\$ 47,612</u>
Time deposits with original maturities of more than 3 months	3.15%-4.58%	3.15%-5.26%	0.92%-5.25%
Pledged time deposits	0.33%-1.08%	0.92%-1.08%	0.80%-0.92%

Refer to Note 9 for information on credit risk management and impairment loss assessment related to financial assets at amortized cost.

9. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments classified as at FVTOCI and as at amortized cost were as follows:

March 31, 2025

	<u>At FVTOCI</u>		<u>At Amortized Cost</u>	
	NTD	USD	NTD	USD
Gross carrying amount	\$ 1,126,633	\$ 33,930	\$ 4,738,289	\$ 142,698
Less: Allowance for impairment loss	<u>(753)</u>	<u>(22)</u>	<u>-</u>	<u>-</u>
Amortized cost	1,125,880	33,908	<u>\$ 4,738,289</u>	<u>\$ 142,698</u>
Adjustment to fair value	<u>4,399</u>	<u>131</u>		
	<u>\$ 1,130,279</u>	<u>\$ 34,039</u>		

December 31, 2024

	At FVTOCI		At Amortized Cost	
	NTD	USD	NTD	USD
Gross carrying amount	\$ 1,107,447	\$ 33,779	\$ 2,458,877	\$ 75,000
Less: Allowance for impairment loss	<u>(741)</u>	<u>(22)</u>	<u>-</u>	<u>-</u>
Amortized cost	1,106,706	33,757	<u>\$ 2,458,877</u>	<u>\$ 75,000</u>
Adjustment to fair value	<u>292</u>	<u>8</u>		
	<u>\$ 1,106,998</u>	<u>\$ 33,765</u>		

March 31, 2024

	At FVTOCI		At Amortized Cost	
	NTD	USD	NTD	USD
Gross carrying amount	\$ 296,609	\$ 9,269	\$ 1,523,583	\$ 47,612
Less: Allowance for impairment loss	<u>(72,612)</u>	<u>(2,269)</u>	<u>-</u>	<u>-</u>
Amortized cost	223,997	7,000	<u>\$ 1,523,583</u>	<u>\$ 47,612</u>
Adjustment to fair value	<u>(2,926)</u>	<u>(91)</u>		
	<u>\$ 221,071</u>	<u>\$ 6,909</u>		

The credit rating information is supplied by an independent credit rating agency (CRA) in order to continuously track and supervise the credit risk change of the investments in debt instruments. At the same time, the Group reviews the information such as bond yield rate curve and debtors' information announced to assess whether the credit risk of investment in debt instruments has significantly increased since the initial recognition.

The Group considers the historical probability of default and loss given default of each level provided by CRA, the current financial condition of debtors, and its business outlook in order to measure the 12-month expected credit loss (ECL) or lifetime ECL of the debt instruments. The current credit risk rating mechanism used by the Group is as follows:

Category	Description	Basis for Recognizing Expected Credit Losses (ECLs)
Performing	The counterparty has a low risk of default and a strong capacity to meet contractual cash flows i.e., the Moody's rating is above Level B	12m ECLs
Doubtful	The credit risk has significantly increased since the initial recognition, i.e., the Moody's rating has moved from above Level B to below Level B	Lifetime ECLs - not credit impaired
In default	There is evidence indicating the asset is credit impaired	Lifetime ECLs - credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

The gross carrying amounts of debt instrument investments classified by credit category and the corresponding expected loss rates are shown below:

March 31, 2025

Category	Expected Loss Rate	Total Carrying Amount			
		At FVTOCI		At Amortized Cost	
		NTD	USD	NTD	USD
Performing	0.06%-0.12%	\$ 1,126,633	\$ 33,930	\$ 4,738,289	\$ 142,698
Doubtful	-	-	-	-	-
In default	-	-	-	-	-
Write-off	-	-	-	-	-

December 31, 2024

Category	Expected Loss Rate	Total Carrying Amount			
		At FVTOCI		At Amortized Cost	
		NTD	USD	NTD	USD
Performing	0.06%-0.12%	\$ 1,107,447	\$ 33,779	\$ 2,458,877	\$ 75,000
Doubtful	-	-	-	-	-
In default	-	-	-	-	-
Write-off	-	-	-	-	-

March 31, 2024

Category	Expected Loss Rate	Total Carrying Amount			
		At FVTOCI		At Amortized Cost	
		NTD	USD	NTD	USD
Performing	0%-0.12%	\$ 224,198	\$ 7,006	\$ 1,523,583	\$ 47,612
Doubtful	-	-	-	-	-
In default	100%	72,411	2,263	-	-
Write-off	-	-	-	-	-

Regarding the investments in debt instruments measured by FVTOCI and amortized cost, the loss allowance change information based on the credit risk rating is summarized as follows:

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit Impaired)	In Default (Lifetime ECLs - Credit Impaired)
<u>NTD</u>			
Balance at January 1, 2025	\$ 741	\$ -	\$ -
New debt instruments purchased	3	-	-
Change in exchange rates or others	9	-	-
Balance at March 31, 2025	<u>\$ 753</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

	Credit Rating		
	Performing (12-month ECLs)	Doubtful (Lifetime ECLs - Not Credit Impaired)	In Default (Lifetime ECLs - Credit Impaired)
Balance at January 1, 2024	\$ 357	\$ -	\$ 69,481
New debt instruments purchased	19	-	-
Change in risk parameters	(3)	-	-
Change in exchange rates or others	<u>(172)</u>	<u>-</u>	<u>2,930</u>
Balance at March 31, 2024	<u>\$ 201</u>	<u>\$ -</u>	<u>\$ 72,411</u>
USD			
Balance at January 1, 2025	\$ 22	\$ -	\$ -
New debt instruments purchased	-	-	-
Change in others	<u>-</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2025	<u>\$ 22</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at January 1, 2024	\$ 11	\$ -	\$ 2,263
New debt instruments purchased	1	-	-
Change in others	<u>(6)</u>	<u>-</u>	<u>-</u>
Balance at March 31, 2024	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 2,263</u> (Concluded)

10. TRADE RECEIVABLES

	March 31, 2025	December 31, 2024	March 31, 2024
NTD			
At amortized cost			
Gross carrying amount	\$ 3,849,514	\$ 6,553,007	\$ 4,681,853
Less: Allowance for impairment loss	<u>(1,054,738)</u>	<u>(823,174)</u>	<u>(474,399)</u>
	<u>\$ 2,794,776</u>	<u>\$ 5,729,833</u>	<u>\$ 4,207,454</u>
USD			
At amortized cost			
Gross carrying amount	\$ 115,931	\$ 199,878	\$ 146,308
Less: Allowance for impairment loss	<u>(31,764)</u>	<u>(25,108)</u>	<u>(14,825)</u>
	<u>\$ 84,167</u>	<u>\$ 174,770</u>	<u>\$ 131,483</u>

The credit period is 7-100 days. The Group grants credit periods based on customers' financial conditions and historical payment records. In addition, when necessary, customers are requested to make prepayments in order to reduce the risk of financial loss due to delay of payment.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts, unemployment rate and industry outlook. As there are different loss patterns for various customer segments, the Group determines expected credit loss ratios by the factors including payment terms, jurisdiction of customers and the status of public listing or nonpublic listing.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

Aging analysis based on overdue dates of trade receivables was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Past due within 60 days	\$ 2,437,971	\$ 5,097,925	\$ 2,945,205
Past due 61-120 days	205,896	306,185	450,847
Past due over 121 days	<u>1,205,647</u>	<u>1,148,897</u>	<u>1,285,801</u>
	<u>\$ 3,849,514</u>	<u>\$ 6,553,007</u>	<u>\$ 4,681,853</u>

<u>USD</u>			
Past due within 60 days	\$ 73,421	\$ 155,496	\$ 92,038
Past due 61-120 days	6,201	9,339	14,089
Past due over 121 days	<u>36,309</u>	<u>35,043</u>	<u>40,181</u>
	<u>\$ 115,931</u>	<u>\$ 199,878</u>	<u>\$ 146,308</u>

The movements of the loss allowance of trade receivables were as follows:

	For the Three Months Ended March 31	
	2025	2024
<u>NTD</u>		
Balance at January 1	\$ 823,174	\$ 487,141
Net remeasurement of loss allowance	218,954	(32,714)
Foreign exchange gains and losses	<u>12,610</u>	<u>19,972</u>
Balance at March 31	<u>\$ 1,054,738</u>	<u>\$ 474,399</u>
<u>USD</u>		
Balance at January 1	\$ 25,108	\$ 15,865
Net remeasurement of loss allowance	<u>6,656</u>	<u>(1,040)</u>
Balance at March 31	<u>\$ 31,764</u>	<u>\$ 14,825</u>

11. INVENTORIES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Finished goods	\$ 1,974,144	\$ 2,291,037	\$ 1,873,723
Work in progress	2,631,151	5,563,678	3,979,775
Raw materials	<u>1,149,018</u>	<u>805,810</u>	<u>7,811,188</u>
	<u>\$ 5,754,313</u>	<u>\$ 8,660,525</u>	<u>\$ 13,664,686</u>

USD

Finished goods	\$ 59,453	\$ 69,881	\$ 58,554
Work in progress	79,240	169,701	124,368
Raw materials	<u>34,604</u>	<u>24,579</u>	<u>244,099</u>
	<u>\$ 173,297</u>	<u>\$ 264,161</u>	<u>\$ 427,021</u>

The cost of integrated circuit recognized as cost of goods sold for the three months ended March 31, 2025 and 2024 were NT\$7,520,971 thousand (US\$228,636 thousand) and NT\$8,227,223 thousand (US\$261,614 thousand), respectively.

The cost of goods sold included a write-down of inventory of NT\$103,956 thousand (US\$3,160 thousand) and a reversal of inventory write-down of NT\$28,927 thousand (US\$920 thousand) for the three months ended March 31, 2025 and 2024, respectively.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2025	December 31, 2024	March 31, 2024	
The Company	Alchip Technologies, Limited (registered in Hong Kong) (referred to as "Alchip HK")	Investments	100	100	100	-
	Alchip Technologies, Inc. (registered in the U.S.A.) (referred to as "Alchip USA")	Product technical support and consulting services.	100	100	100	-
	Alchip Technologies, KK (registered in Japan) (referred to as "Alchip KK")	Product technical support and consulting services.	100	100	100	-
	Alchip Technologies, Inc. (registered in Taiwan) (referred to as "Alchip TW")	Sales of ASIC and SOC.	100	100	100	-
	Alchip Investment, Inc. (registered in the British Virgin Islands) (referred to as "Alchip BVI")	Investments	100	100	100	-
	Alchip Technologies Malaysia Sdn. Bhd. (registered in Malaysia) (referred to as "Alchip MY")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	-	Note 1
Alchip HK	Alchip Technologies (Shanghai) (registered in China) (referred to as "Alchip Shanghai")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-
	Alchip Technologies (Wuxi) (registered in China) (referred to as "Alchip Wuxi")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-
	Alchip Technologies (Hefei) (registered in China) (referred to as "Alchip Hefei")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-
	Alchip Technologies (Jinan) (registered in China) (referred to as "Alchip Jinan")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-
	Alchip Technologies (Guangzhou) (registered in China) (referred to as "Alchip Guangzhou")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-
	Alchip Technologies (Vietnam) Company Limited (registered in Vietnam) (referred to as "Alchip VN")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	-	Note 2

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			March 31, 2025	December 31, 2024	March 31, 2024	
Alchip Guangzhou	Chiptopia (Shanghai) Technology Co., Ltd (registered in China) (referred to as "Chiptopia Shanghai")	Software development, design and service, and sales of ASIC and SOC and rendering of related services.	65	65	65	-
Alchip Shanghai	Alchip Technologies (Chongqing) (registered in China) (referred to as "Alchip Chongqing")	Research and development, design, and sales of ASIC and SOC and rendering of related services.	100	100	100	-

(Concluded)

Note 1: The Company was established in November 2023 and commenced operations in May 2024.

Note 2: The Company was established in September 2024 and commenced operations in October 2024.

b. Subsidiaries excluded from the consolidated financial statements: None.

13. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Machinery equipment	\$ 2,428,300	\$ 1,705,033	\$ 1,734,751
Computer equipment	50,192	59,899	79,319
Office equipment	7,308	7,541	7,241
Transportation equipment	2,030	2,178	575
Leasehold improvements	447	805	3,411
	<u>\$ 2,488,277</u>	<u>\$ 1,775,456</u>	<u>\$ 1,825,297</u>

USD

Machinery equipment	\$ 73,131	\$ 52,005	\$ 54,211
Computer equipment	1,512	1,827	2,479
Office equipment	220	232	226
Transportation equipment	61	67	18
Leasehold improvements	13	24	107
	<u>\$ 74,937</u>	<u>\$ 54,155</u>	<u>\$ 57,041</u>

The Group acquired additional machinery equipment amounted to NT\$1,494,421 thousand (US\$45,430 thousand) and NT\$827,759 thousand (US\$26,322 thousand) for the three months ended March 31, 2025 and 2024, respectively. Except for the aforementioned additions and the recognition of depreciation expenses, there were no material changes in the Group's property, plant, and equipment.

The above items of property, plant and equipment used by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Machinery equipment	1-5 years
Computer equipment	3-5 years
Office equipment	3-5 years
Leasehold improvements	2-3 years
Transportation equipment	3 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Buildings	\$ 70,354	\$ 81,663	\$ 89,068
Machinery equipment	<u>142,705</u>	<u>151,468</u>	<u>178,784</u>
	<u>\$ 213,059</u>	<u>\$ 233,131</u>	<u>\$ 267,852</u>
<u>USD</u>			
Buildings	\$ 2,119	\$ 2,491	\$ 2,783
Machinery equipment	<u>4,297</u>	<u>4,620</u>	<u>5,587</u>
	<u>\$ 6,416</u>	<u>\$ 7,111</u>	<u>\$ 8,370</u>
	For the Three Months Ended March 31		
	2025	2024	
<u>NTD</u>			
Additions to right-of-use assets		<u>\$ -</u>	<u>\$ 29,321</u>
Depreciation charge for right-of-use assets			
Buildings		\$ 13,100	\$ 12,993
Machinery equipment		<u>10,603</u>	<u>10,137</u>
		<u>\$ 23,703</u>	<u>\$ 23,130</u>
<u>USD</u>			
Additions to right-of-use assets		<u>\$ -</u>	<u>\$ 955</u>
Depreciation charge for right-of-use assets			
Buildings		\$ 398	\$ 413
Machinery equipment		<u>323</u>	<u>322</u>
		<u>\$ 721</u>	<u>\$ 735</u>

Except for the aforementioned addition and the recognition of depreciation expense, the Group did not have significant sublease or impairment of right-of-use assets for the three months ended March 31, 2025 and 2024.

b. Lease liabilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Current	<u>\$ 69,913</u>	<u>\$ 75,430</u>	<u>\$ 83,454</u>
Non-current	<u>\$ 129,321</u>	<u>\$ 131,900</u>	<u>\$ 169,274</u>
<u>USD</u>			
Current	<u>\$ 2,105</u>	<u>\$ 2,301</u>	<u>\$ 2,608</u>
Non-current	<u>\$ 3,895</u>	<u>\$ 4,023</u>	<u>\$ 5,290</u>

Range of discount rates for lease liabilities was as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
Buildings	0.98%-4.75%	0.98%-4.90%	0.98%-5.50%
Machinery equipment	4.20%	4.20%	4.20%

c. Material leasing activities and terms

The Group leases certain buildings for office with lease terms of 2 to 10 years. The Group does not have bargain purchase option to acquire the buildings at the end of the lease terms.

Except for the leased office, the Group did not enter into any other significant lease contracts for the three months ended March 31, 2025 and 2024.

d. Other lease information

	For the Three Months Ended March 31	
	2025	2024
<u>NTD</u>		
Expenses relating to short-term leases	<u>\$ 4,355</u>	<u>\$ 3,327</u>
Expenses relating to low-value asset leases	<u>\$ 15</u>	<u>\$ 15</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 3,532</u>	<u>\$ 3,637</u>
Total cash outflow for leases	<u>\$ (24,867)</u>	<u>\$ (24,883)</u>
<u>USD</u>		
Expenses relating to short-term leases	<u>\$ 132</u>	<u>\$ 106</u>
Expenses relating to low-value asset leases	<u>\$ -</u>	<u>\$ -</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 107</u>	<u>\$ 116</u>
Total cash outflow for leases	<u>\$ (755)</u>	<u>\$ (791)</u>

All lease commitments (the Group as a lessee) with lease terms commencing after the balance sheet dates are as follows:

	March 31, 2025		December 31, 2024		March 31, 2024	
	NTD	USD	NTD	USD	NTD	USD
Lease commitments	<u>\$ 219,143</u>	<u>\$ 6,600</u>	<u>\$ 230,469</u>	<u>\$ 7,030</u>	<u>\$ 280,920</u>	<u>\$ 8,779</u>

15. INTANGIBLE ASSETS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Silicon Intellectual Property (SIP)	\$ 262,154	\$ 239,920	\$ 278,601
Software cost	<u>9,070</u>	<u>8,010</u>	<u>7,774</u>
	<u>\$ 271,224</u>	<u>\$ 247,930</u>	<u>\$ 286,375</u>
<u>USD</u>			
Silicon Intellectual Property (SIP)	\$ 7,895	\$ 7,317	\$ 8,706
Software cost	<u>273</u>	<u>245</u>	<u>243</u>
	<u>\$ 8,168</u>	<u>\$ 7,562</u>	<u>\$ 8,949</u>

The Group's addition to SIP amounted to NT\$71,832 thousand (US\$2,184 thousand) and NT\$4,654 thousand (US\$148 thousand) for the three months ended March 31, 2025 and 2024, respectively. Except for the aforementioned changes and the recognition of amortization expenses, there were no significant changes in the consolidated entity's intangible assets.

The above items of intangible assets are amortized on a straight-line basis over the estimated useful lives as follows:

SIP	1-2 years
Software cost	1-3 years

16. PREPAYMENTS

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Prepayment for electronic design automation (EDA) tools	\$ 361,499	\$ 81,503	\$ 107,977
Prepayments for raw materials	293,782	1,289,276	2,858,864
Prepayment for SIP	173,954	244,747	103,046
Other	<u>43,735</u>	<u>36,160</u>	<u>34,752</u>
	<u>\$ 872,970</u>	<u>\$ 1,651,686</u>	<u>\$ 3,104,639</u>

(Continued)

	March 31, 2025	December 31, 2024	March 31, 2024
<u>USD</u>			
Prepayment for electronic design automation (EDA) tools	\$ 10,887	\$ 2,486	\$ 3,374
Prepayments for raw materials	8,848	39,325	89,339
Prepayment for SIP	5,239	7,465	3,221
Other	<u>1,316</u>	<u>1,103</u>	<u>1,086</u>
	<u>\$ 26,290</u>	<u>\$ 50,379</u>	<u>\$ 97,020</u> (Concluded)

17. OTHER PAYABLES

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Payables for salaries or bonuses	\$ 1,155,101	\$ 1,107,053	\$ 911,712
Payables for equipment	276,198	167,289	90,710
Payables for technical services	124,902	301,953	162,172
Payables for SIP	930	2,198	81,437
Others	<u>343,410</u>	<u>104,304</u>	<u>50,571</u>
	<u>\$ 1,900,541</u>	<u>\$ 1,682,797</u>	<u>\$ 1,296,602</u>

<u>USD</u>			
Payables for salaries or bonuses	\$ 34,787	\$ 33,767	\$ 28,491
Payables for equipment	8,318	5,103	2,835
Payables for technical services	3,762	9,210	5,068
Payables for SIP	28	67	2,545
Others	<u>10,342</u>	<u>3,181</u>	<u>1,580</u>
	<u>\$ 57,237</u>	<u>\$ 51,328</u>	<u>\$ 40,519</u>

18. EQUITY

a. Ordinary shares

	March 31, 2025	December 31, 2024	March 31, 2024
Shares authorized (in thousands of shares)	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>
Shares authorized (in thousands of NT\$)	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Shares issued and fully paid (in thousands of shares)	<u>80,856</u>	<u>80,649</u>	<u>78,935</u>
Shares issued and fully paid (in thousands of NT\$)	<u>\$ 808,557</u>	<u>\$ 806,485</u>	<u>\$ 789,352</u>
Shares issued and fully paid (in thousands of US\$)	<u>\$ 25,878</u>	<u>\$ 25,815</u>	<u>\$ 25,285</u>

Fully paid ordinary shares, which have a par value of NT\$10, carry one vote per share and the right to dividends. The change in share capital was mainly due to issuing new common shares to be offered in the form of GDRs, private placement, and the execution of employee share options.

Issuance of GDRs

On December 18, 2020, and December 20, 2023 the Company's shareholders held an extraordinary meeting and resolved the issuance of 7,600 thousand and 3,700 thousand ordinary shares to be offered in the form of GDRs. Each GDR represents one ordinary share of the Company. These GDRs were listed on the Luxembourg Exchange on January 20, 2021, and January 19, 2024, respectively. As of March 31, 2025, the holders of GDRs had redeemed 11,183.4 thousand units, which were equivalent to 11,183.4 thousand ordinary shares. The outstanding GDRs were equal to 116.6 thousand shares, which accounted for 0.14% of the Company's total outstanding ordinary shares.

Private placement

On June 9, 2023, the shareholders held a meeting and resolved the private placement of ordinary shares with a total limit of 5,000 thousand shares, which can be issued once or twice within one year from the date of the resolution of the shareholders in their meeting.

On June 26, 2023, and May 14, 2024 the Company's board of directors resolved the private placement of ordinary shares. The relevant information is as follows:

Closing date	July 10, 2023	May 16, 2024
Number of shares (in thousands)	1,380	225
Par value (NT\$)	\$10	\$10
Subscription price (NT\$)	\$1,448	\$2,382
Total private placement amount (in thousands of NT\$)	\$1,998,240	\$534,847
Total private placement amount (in thousands of US\$)	\$64,439	\$16,500

On May 30, 2024, the shareholders held a meeting and resolved the private placement of ordinary shares with a total limit of 1,000 thousand shares, which can be issued once to three times within one year from the date of the resolution of the shareholders meeting.

On November 1, 2024, the Company's board of directors resolved the private placement of ordinary shares. The relevant information is as follows:

Closing date	November 15, 2024
Number of shares (in thousands)	600
Par value (NT\$)	\$10
Subscription price (NT\$)	\$1,627
Total private placement amount (in thousands of NT\$)	\$976,200
Total private placement amount (in thousands of US\$)	\$30,468

The board of directors resolved the termination of the remaining limit of 400 thousand shares on May 9, 2025.

The aforementioned rights and obligations of privately issued ordinary shares are the same as those of ordinary shares issued, except for a restriction on trading in accordance with the Securities and Exchange Act, and these shares are not allowed to be timely traded until the Company completes public issuance for these shares 3 years from the closing date.

For the purpose of long-term operations and business development, the board of directors resolved to conduct a private placement on April 11, 2025, with the number of shares not to exceed 1,500 thousand. The offering may be executed in one or multiple times (not exceeding three times) within one year from the date of the shareholders' meeting resolution. The proposal of private placement is pending approval at the annual shareholders' meeting scheduled for May 29, 2025.

b. Retained earnings and dividends policy

Under the dividend policy as set forth in the Articles of Incorporation, the Company's annual net income after tax shall offset its losses in previous years, then set aside a special reserve in accordance with the Applicable Public Company Rules of the Republic of China or as requested by the authorities in charge, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which shall be resolved by the shareholders in their meeting for distribution of dividends to shareholders. For the policy on the distribution of employees' compensation and directors' remuneration specified in the Articles of Incorporation, refer to Note 21-(f) Employees' Compensation and Directors' Remuneration.

The Company's Articles of Incorporation also stipulate a dividend policy that distribution of retained earnings may proceed by way of cash or share dividends. The total amount of dividends shall be no less than 10% of the earnings for the year after deducting the amounts specified above. Among these, the amount of cash dividends distributed shall not be less than 10% of the total dividends distributed to shareholders, with a maximum limit of 100%.

The appropriations of earnings for 2024 and 2023 that were proposed and resolved by board of directors and the shareholders in their meetings on February 27, 2025 and May 30, 2024, respectively, were as follows:

	2024			
	Appropriation of Earnings (In Thousand)		Dividends Per Share (In Dollar)	
	USD	NTD	USD	NTD
Cash dividends	\$ <u>98,570</u>	\$ <u>3,232,587</u>	\$ 1.221	\$ 40.05
	2023			
	Appropriation of Earnings (In Thousand)		Dividends Per Share (In Dollar)	
	USD	NTD	USD	NTD
Cash dividends	\$ <u>56,301</u>	\$ <u>1,818,236</u>	\$ 0.719	\$ 23.22

The appropriations of earnings for 2024 are to be resolved in the meeting of the shareholders which is expected to be held on May 29, 2025.

c. Special reserve

Items referred to under Rule No. 1010012865 and No. 1010047490, issued by the FSC and in the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRS Accounting Standards" should be appropriated to or reversed from a special reserve by the Company.

The cumulative translation adjustments will be reversed by proportion base on the Group's disposal of foreign operations. However, if the Group losses its significant influence, the cumulative translation adjustments will be fully reversed. When the earnings are appropriated, the Group should consider the difference between debit balance of adjustments in other equity and the special reserve appropriated on the first-time adoption of IFRSs. If the debit balance is reversed, the Group could appropriate the earnings within the reversed portion.

Upon the Company's first-time adoption of IFRS Accounting Standards, retained earnings increased by NT\$63,380 thousand (US\$3,221 thousand), of which NT\$67,693 thousand (US\$2,799 thousand) resulted from the transfer of cumulative translation adjustments to retained earnings due to the election of exemptions under IFRS 1. Accordingly, a special reserve in the same amount was appropriated.

19. SHARE-BASED PAYMENT ARRANGEMENTS

Employee share option plan of the Company

According to the Company's employee share option plan, each option entitles the holder to subscribe for 1,000 ordinary shares of the Company. The holders of the options are qualified employees, including employees of the Company and its subsidiaries satisfying specific requirements. The options granted are valid for 10 years, 50% become vested after two years from the grant date and 1/48th become vested each month for the subsequent years. The exercise price of the employee share option is the closing price of the Company's ordinary shares on the date of issuance. After the issuance of the employee share option, the exercise price will be adjusted in accordance with the specified formula if there are any changes in the Company's ordinary shares.

Information on employee share options was as follows:

	For the Three Months Ended March 31			
	2025		2024	
	Number of Options	Weighted-average Exercise Price (NT\$)	Number of Options	Weighted-average Exercise Price (NT\$)
Balance on January 1	2,436,314	\$ 618	4,199,288	\$ 436
Options granted	-	-	19,000	3,410
Options exercised	(207,147)	553	(916,467)	251
Options expired	<u>(2,500)</u>	947	<u>(8,355)</u>	951
Balance on March 31	<u>2,226,667</u>	624	<u>3,293,466</u>	502
Options exercisable, end of the period	<u>1,869,755</u>	506	<u>2,186,490</u>	343
Weighted-average fair value of options granted (NT\$)	<u>\$ -</u>		<u>\$ 2,001</u>	

The weighted-average share prices on the exercise date of the share options for the three months ended March 31, 2025 and 2024 were \$3,052 and \$3,910, respectively.

Information on outstanding options was as follows:

March 31			
2025		2024	
Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)	Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)
\$24.4	1.62	\$24.4	2.62
36.3	0.93	36.4	1.93
40.0	1.94	40.1	2.95
72.6	4.14	72.7	5.14
73.3	3.97	73.4	4.97
81.2	2.67	75.0	3.68
85.4	3.48	81.3	3.67
93.1	2.86	85.5	4.48
93.4	4.36	93.2	3.86
95.4	2.77	93.5	5.36
114.8	3.00	95.5	3.77
118.6	3.37	115.0	4.00
120.6	3.05	118.8	4.37
200.9	4.65	120.8	4.05
202.9	4.89	201.3	5.65
262.5	5.08	203.3	5.89
319.1	5.21	263.0	6.08
396.4	6.13	322.5	6.21
551.2	5.71	400.6	7.13
558.3	5.34	557.0	6.71
558.4	6.39	564.2	6.34
790.9	5.94	564.3	7.39
797.9	7.41	799.2	6.94
823.8	7.63	957.2	7.95
853.8	7.09	1,003.0	7.59
947.2	6.95	862.8	8.09
992.5	6.59	806.3	8.41
1,490.2	8.15	1,505.9	9.15
3,374.4	8.96	3,410.0	9.96
2,484.5	9.41		
2,026.9	9.59		

Options granted in March 2024 were priced by Black-Scholes pricing model and the inputs to the model on each grant-date were as follows:

	March 13, 2024
Grant-date share price (NT\$)	\$3,410
Exercise price (NT\$)	\$3,410
Expected volatility	62.71%-63.52%
Expected life (in years)	6-7 years
Expected dividend yield	-
Risk-free interest rate	1.20%-1.21%

Compensation costs recognized were NT\$34,111 thousand (US\$1,037 thousand) and NT\$70,605 thousand (US\$2,245 thousand) for the three months ended March 31, 2025 and 2024, respectively.

20. REVENUE

a. Contract information

The changes in the contract liability balances primarily result from the timing difference between the satisfaction of performance obligation and the customer's payment. For the three months ended March 31, 2025 and 2024, the Group recognized revenue of NT\$4,337,155 thousand (US\$131,848 thousand) and NT\$2,501,637 thousand (US\$79,548 thousand), respectively, from the contract liability outstanding balance at the beginning of the year.

b. Disaggregation of revenue from contracts with customers

	For the Three Months Ended March 31			
	2025		2024	
	NTD	USD	NTD	USD
<u>Production</u>				
ASIC and wafer product	\$ 10,421,659	\$ 316,816	\$ 10,398,849	\$ 330,668
Non-Recurring Engineering (NRE)	57,212	1,739	82,179	2,613
Others	<u>5,984</u>	<u>182</u>	<u>8,960</u>	<u>285</u>
	<u>\$ 10,484,855</u>	<u>\$ 318,737</u>	<u>\$ 10,489,988</u>	<u>\$ 333,566</u>
<u>Geography</u>				
United States	\$ 9,716,013	\$ 295,364	\$ 8,110,016	\$ 257,886
China	326,774	9,934	1,446,097	45,984
Japan	224,369	6,821	101,752	3,236
Taiwan	197,459	6,003	171,172	5,443
Europe	5,503	167	660,951	21,017
Others	<u>14,737</u>	<u>448</u>	<u>-</u>	<u>-</u>
	<u>\$ 10,484,855</u>	<u>\$ 318,737</u>	<u>\$ 10,489,988</u>	<u>\$ 333,566</u>
<u>Application type</u>				
High performance computing	\$ 9,985,543	\$ 303,558	\$ 9,795,020	\$ 311,467
Communication	233,807	7,108	221,643	7,048
Consumer	183,192	5,569	298,684	9,498
Niche market	<u>82,313</u>	<u>2,502</u>	<u>174,641</u>	<u>5,553</u>
	<u>\$ 10,484,855</u>	<u>\$ 318,737</u>	<u>\$ 10,489,988</u>	<u>\$ 333,566</u>
<u>Resolution</u>				
7-nanometer and below	\$ 10,047,310	\$ 305,436	\$ 9,893,766	\$ 314,607
12/16-nanometer	134,730	4,096	309,700	9,848
22/28-nanometer	197,024	5,989	226,991	7,218
40-nanometer and above	<u>105,791</u>	<u>3,216</u>	<u>59,531</u>	<u>1,893</u>
	<u>\$ 10,484,855</u>	<u>\$ 318,737</u>	<u>\$ 10,489,988</u>	<u>\$ 333,566</u>

21. NET PROFIT

Net profit included the following items:

a. Interest income

	For the Three Months Ended March 31	
	2025	2024
<u>NTD</u>		
Bank deposits	\$ 278,379	\$ 253,354
Investments in debt instruments at FVTOCI	13,159	2,345
Financial assets at amortized cost	38,751	22,503
Others	<u>123</u>	<u>116</u>
	<u>\$ 330,412</u>	<u>\$ 278,318</u>
<u>USD</u>		
Bank deposits	\$ 8,463	\$ 8,055
Investments in debt instruments at FVTOCI	400	75
Financial assets at amortized cost	1,178	716
Others	<u>4</u>	<u>4</u>
	<u>\$ 10,045</u>	<u>\$ 8,850</u>

b. Other gains and losses

	For the Three Months Ended March 31	
	2025	2024
<u>NTD</u>		
Net foreign exchange (losses) gains	\$ (27,138)	\$ 15,386
(Loss) gain on disposal of equipment	(155)	234
Others	<u>(295)</u>	<u>6</u>
	<u>\$ (27,588)</u>	<u>\$ 15,626</u>
<u>USD</u>		
Net foreign exchange (losses) gains	\$ (825)	\$ 490
(Loss) gain on disposal of equipment	(5)	7
Others	<u>(9)</u>	<u>-</u>
	<u>\$ (839)</u>	<u>\$ 497</u>

c. Finance costs

	For the Three Months Ended March 31	
	2025	2024
<u>NTD</u>		
Interest on lease liabilities	\$ <u>1,876</u>	\$ <u>2,412</u>
<u>USD</u>		
Interest on lease liabilities	\$ <u>57</u>	\$ <u>77</u>

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2025	2024
<u>NTD</u>		
Property, plant and equipment	\$ 810,971	\$ 237,949
Right-of-use assets	23,703	23,130
Intangible assets	<u>55,017</u>	<u>145,965</u>
	<u>\$ 889,691</u>	<u>\$ 407,044</u>
An analysis of depreciation by function		
Operating costs	\$ 788,625	\$ 216,308
Operating expenses	<u>46,049</u>	<u>44,771</u>
	<u>\$ 834,674</u>	<u>\$ 261,079</u>
An analysis of amortization by function		
Operating costs	\$ 52,966	\$ 144,928
Operating expenses	<u>2,051</u>	<u>1,037</u>
	<u>\$ 55,017</u>	<u>\$ 145,965</u>
<u>USD</u>		
Property, plant and equipment	\$ 24,653	\$ 7,566
Right-of-use assets	721	735
Intangible assets	<u>1,672</u>	<u>4,641</u>
	<u>\$ 27,046</u>	<u>\$ 12,942</u>
An analysis of depreciation by function		
Operating costs	\$ 23,974	\$ 6,878
Operating expenses	<u>1,400</u>	<u>1,423</u>
	<u>\$ 25,374</u>	<u>\$ 8,301</u>

(Continued)

	For the Three Months Ended March 31	
	2025	2024
An analysis of amortization by function		
Operating costs	\$ 1,610	\$ 4,608
Operating expenses	<u>62</u>	<u>33</u>
	<u>\$ 1,672</u>	<u>\$ 4,641</u>
		(Concluded)

e. Employee benefits expense

	For the Three Months Ended March 31	
	2025	2024
<u>NTD</u>		
Post-employment benefits		
Defined contribution plan	\$ 20,999	\$ 19,231
Share-based payments (Note 19)	34,111	70,605
Other employee benefits	<u>466,385</u>	<u>499,340</u>
	<u>\$ 521,495</u>	<u>\$ 589,176</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 5,737	\$ 6,266
Operating expenses	<u>515,758</u>	<u>582,910</u>
	<u>\$ 521,495</u>	<u>\$ 589,176</u>

<u>USD</u>		
Post-employment benefits		
Defined contribution plan	\$ 638	\$ 611
Share-based payments (Note 19)	1,037	2,245
Other employee benefits	<u>14,178</u>	<u>15,878</u>
	<u>\$ 15,853</u>	<u>\$ 18,734</u>
An analysis of employee benefits expense by function		
Operating costs	\$ 174	\$ 199
Operating expenses	<u>15,679</u>	<u>18,535</u>
	<u>\$ 15,853</u>	<u>\$ 18,734</u>

f. Compensation of employees and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at rates of no less than 1% and no higher than 2%, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and the remuneration of directors for March 31, 2025 and 2024 were as follows:

	For the Three Months Ended March 31, 2025	
	USD	NTD
Compensation of employees	\$ 2,300	\$ 75,659
Remuneration of directors	<u>500</u>	<u>16,448</u>
	<u>\$ 2,800</u>	<u>\$ 92,107</u>
	For the Three Months Ended March 31, 2024	
	USD	NTD
Compensation of employees	\$ 3,419	\$ 107,533
Remuneration of directors	<u>450</u>	<u>14,152</u>
	<u>\$ 3,869</u>	<u>\$ 121,685</u>

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

The compensation of employees and the remuneration of directors for 2024 and 2023 were as follows:

	For the Year Ended December 31			
	2024		2023	
	Cash (USD)	Cash (NTD)	Cash (USD)	Cash (NTD)
Compensation of employees	\$ 10,000	\$ 321,120	\$ 6,000	\$ 186,930
Remuneration of directors	<u>1,500</u>	<u>48,168</u>	<u>1,250</u>	<u>38,944</u>
	<u>\$ 11,500</u>	<u>\$ 369,288</u>	<u>\$ 7,250</u>	<u>\$ 225,874</u>
Amounts recognized in the consolidated financial statements	<u>\$ 11,500</u>	<u>\$ 369,288</u>	<u>\$ 7,250</u>	<u>\$ 225,874</u>

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAX

- a. Income tax recognized in profit or loss consisted of the following:

	For the Three Months Ended March 31			
	2025		2024	
	USD	NTD	USD	NTD
Current tax				
In respect of the current period	\$ 12,438	\$ 409,149	\$ 9,375	\$ 294,812
Adjustments for prior period	<u>3</u>	<u>98</u>	<u>-</u>	<u>10</u>
	<u>12,441</u>	<u>409,247</u>	<u>9,375</u>	<u>294,822</u>
Deferred tax				
In respect of the current period	<u>(2,353)</u>	<u>(77,411)</u>	<u>374</u>	<u>11,756</u>
Income tax expense recognized in profit or loss	<u>\$ 10,088</u>	<u>\$ 331,836</u>	<u>\$ 9,749</u>	<u>\$ 306,578</u>

The income tax rate was 20% used by the Group's subsidiary and branch located in Taiwan, according to the Income Tax Acts of the Republic of China. Alchip Shanghai is entitled to a preferential tax rate of 10% for qualifying as a key integrated circuit enterprise in 2025. Alchip Jinan and Alchip Wuxi is entitled to a preferential tax rate of 15% for qualifying as a high-tech enterprise in 2025. Chiptopia Shanghai is entitled to a preferential tax rate of 12.5% for qualifying as a software enterprise in 2025. Other China subsidiaries are entitled to the first two years and a half reduction of 12.5% in 2025. The applicable tax rate used by the Group's subsidiary located in Japan was approximately 37%.

- b. Income tax recognized in other comprehensive income

	For the Three Months Ended March 31			
	2025		2024	
	USD	NTD	USD	NTD
Deferred tax				
In respect of the current year				
Fair value changes of financial assets at FVTOCI	<u>\$ (20)</u>	<u>\$ (671)</u>	<u>\$ (62)</u>	<u>\$ (1,951)</u>
Total income tax recognized in other comprehensive income	<u>\$ (20)</u>	<u>\$ (671)</u>	<u>\$ (62)</u>	<u>\$ (1,951)</u>

- c. Income tax assessments

Tax returns of Alchip Taiwan Branch through 2023 have been assessed by the tax authorities. Tax returns of Alchip Technologies Inc. through 2022 have been assessed by the tax authorities, and there is no significant difference between the assessment results and the income tax returns filed.

23. EARNINGS PER SHARE

Unit: USD/NTD Per Share

	For the Three Months Ended March 31			
	2025		2024	
	USD	NTD	USD	NTD
Basic earnings per share	\$ 0.55	\$ 18.13	\$ 0.50	\$ 15.83
Diluted earnings per share	\$ 0.54	\$ 17.69	\$ 0.48	\$ 15.14

EPS is computed as follows:

	For the Three Months Ended March 31			
	2025		2024	
	USD	NTD	USD	NTD
<u>Net profit for the period</u>				
Profit for the period attributable to owners of the Company	\$ 44,491	\$ 1,463,518	\$ 39,120	\$ 1,230,247
Earnings used in the computation of basic and diluted earnings per share	\$ 44,491	\$ 1,463,518	\$ 39,120	\$ 1,230,247

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Three Months Ended March 31	
	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	80,741	77,719
Effect of potentially dilutive ordinary shares		
Employee share option	1,878	3,453
Compensation of employees	90	63
Weighted average number of ordinary shares used in the computation of diluted earnings per share	82,709	81,235

The Group may settle the compensation of employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. CASH FLOW INFORMATION

Non-cash Transactions

	For the Three Months Ended March 31			
	2025		2024	
	USD	NTD	USD	NTD
Additions of property, plant and equipment	\$ 45,437	\$ 1,494,652	\$ 13,706	\$ 431,033
Changes in payment for equipment	(3,215)	(108,909)	(2,195)	(71,054)
Effect of foreign currency exchange differences	-	3,140	-	2,040
Payments for acquisition of equipment	<u>\$ 42,222</u>	<u>\$ 1,388,883</u>	<u>\$ 11,511</u>	<u>\$ 362,019</u>
Additions of intangible assets	\$ 2,278	\$ 74,947	\$ 149	\$ 4,688
Changes in prepayment	(2,226)	(70,793)	(255)	(3,650)
Changes in other accounts payable	1	1,268	2,503	73,576
Effect of foreign currency exchange differences	-	(3,690)	-	796
Payments for acquisition of intangible assets	<u>\$ 53</u>	<u>\$ 1,732</u>	<u>\$ 2,397</u>	<u>\$ 75,410</u>

25. CAPITAL MANAGEMENT

The Group is a fabless application specific circuit provider and expects significant capital expenditure on the purchase of machinery equipment and SIP now and in the near future. Accordingly, the Group's objective is to maintain necessary operating capital, the availability of funds for research and development, the capacity to pay dividends, etc. The Group continuously evaluates the policy of capital management with a conservative attitude.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements as approximate fair values. Accordingly, the Group takes the carrying amount of those financial assets and liabilities as the basis for evaluating the fair value.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

The Group's financial instruments measured at fair value are financial assets at FVTOCI. The fair value measurements, which are grouped into Level 2 and Level 3 based on the degree to which the fair value measurements are observable.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instrument	Valuation Technique and Inputs
Foreign corporate bond investment	Adjusted integration of quoted prices or settlement prices from stock exchange market participants for each corporate bond.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities were determined by the latest net worth of investee and the financial and operating information of observable companies. The unobservable input used is the non-controlling interests discount and discount for lack of marketability.

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2025 and 2024.

c. Category of financial instruments

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 46,030,912	\$ 35,738,384	\$ 30,647,169
Financial assets at FVTOCI			
Debt instruments	1,130,279	1,106,998	221,071
Equity instruments	399,541	298,624	244,902
<u>Financial liabilities</u>			
Amortized cost (2)	1,950,584	2,423,173	4,190,132
<u>USD</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	1,386,263	1,090,083	957,725
Financial assets at FVTOCI			
Debt instruments	34,039	33,765	6,909
Equity instruments	12,033	9,109	7,653
<u>Financial liabilities</u>			
Amortized cost (2)	58,744	73,911	130,942

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, trade receivables and other receivables.
- 2) The balances include financial liabilities at amortized cost, which comprise trade payables and other payables.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below).

a) Foreign currency risk

The Group uses USD, JPY, MYR and VND as the functional currency and uses other currency for the payment of employee salaries and operating expenses of each subsidiary (branch); therefore, there is no material exchange rate fluctuation risk. Since the Company is listed for trading on the Taiwan Stock Exchange, it can be expected that in the future, when dividends are issued to domestic investors in NTD or when funds are raised domestically in NTD such that the amount needs to be exchanged to USD for use, there is an exchange rate risk in the exchange of TWD to USD, and the possible responsive measures adopted by the financial department of the Group are as follows:

- i. The Group maintains an adequate level of foreign currency reserve based on predicted exchange rate to provide for subsidiaries' operating activities and to lessen the impact on adverse exchange fluctuations to the net income;
- ii. The Group continuously monitors exchange rate fluctuations and maintains close relationships with principal correspondent banks to ensure that management is well-informed of currency trends, so that timely and appropriate adjustments can be made in response to occasional changes in payment or receipt currencies; and
- iii. The Group reduces the impact of adverse exchange rate fluctuations on the Group's net income by using natural write off (i.e., a majority of sales and purchase transactions are denominated in USD) and by using foreign currency loans or forward exchange contracts when needed information as a basis for managing exchange rate fluctuations.

Refer to Note 30 for the carrying amounts of monetary assets and liabilities not denominated in functional currency at the end of the reporting period.

Sensitivity analysis

The Group is mainly exposed to the RMB, NTD and USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the USD and JPY (i.e., the functional currency) against the relevant foreign currencies. The sensitivity rate of 5% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency-denominated monetary items and their adjusted translation at the end of the reporting period for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the USD and JPY depreciating 5% against the relevant currency. For a 5% appreciating of the USD and JPY against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

Unit: In Thousands of U.S. Dollars

	Profit or Loss	
	For the Three Months Ended	
	March 31	
	2025	2024
RMB	\$ 4,094	\$ 3,794
NTD	1,067	22
USD	269	9

b) Interest rate risk

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Fair value interest rate risk			
Financial assets	\$ 10,788,760	\$ 9,985,853	\$ 21,576,085
Financial liabilities	199,234	207,330	252,728
Cash flow interest rate risk			
Financial assets	33,319,189	20,616,900	4,637,696
<u>USD</u>			
Fair value interest rate risk			
Financial assets	324,913	304,586	674,253
Financial liabilities	6,000	6,324	7,898
Cash flow interest rate risk			
Financial assets	1,003,439	628,851	144,928

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. A 25-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the three months ended March 31, 2025 and 2024 would have increased/decreased by NT\$20,824 thousand (US\$627 thousand) and NT\$2,899 thousand (US\$91 thousand), respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Group, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Group adopted a policy of only dealing with credit worthy counterparties as a means of mitigating the risk of financial loss from defaults. Credit exposure is controlled by counterparty limits that are reviewed and approved by the finance department periodically.

The credit risk on liquid funds was limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

The Group's concentration of credit risk of 48%, 43% and 35% of total trade receivables as of March 31, 2025, December 31, 2024 and March 31, 2024, respectively, was attributable to the Group's largest customer.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

a) Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The interest recognition is not material.

	March 31, 2025									
	NTD					USD				
	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities										
Trade payables	\$ 1,074,443	\$ 143,048	\$ -	\$ -	\$ -	\$ 32,358	\$ 4,308	\$ -	\$ -	\$ -
Other payables	506,245	26,897	199,951	-	-	15,246	810	6,022	-	-
Lease liabilities	4,457	7,719	63,355	134,207	-	134	232	1,908	4,042	-
	<u>\$ 1,585,145</u>	<u>\$ 177,664</u>	<u>\$ 263,306</u>	<u>\$ 134,207</u>	<u>\$ -</u>	<u>\$ 47,738</u>	<u>\$ 5,350</u>	<u>\$ 7,930</u>	<u>\$ 4,042</u>	<u>\$ -</u>
December 31, 2024										
	NTD					USD				
	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities										
Trade payables	\$ 1,624,662	\$ 201,665	\$ -	\$ -	\$ -	\$ 49,555	\$ 6,151	\$ -	\$ -	\$ -
Other payables	580,309	16,367	170	-	-	17,701	499	5	-	-
Lease liabilities	4,760	8,697	70,945	145,238	791	146	265	2,164	4,430	24
	<u>\$ 2,209,731</u>	<u>\$ 226,729</u>	<u>\$ 71,115</u>	<u>\$ 145,238</u>	<u>\$ 791</u>	<u>\$ 67,402</u>	<u>\$ 6,915</u>	<u>\$ 2,169</u>	<u>\$ 4,430</u>	<u>\$ 24</u>
March 31, 2024										
	NTD					USD				
	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years	Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities										
Trade payables	\$ 2,301,029	\$ 1,502,478	\$ -	\$ -	\$ -	\$ 71,908	\$ 46,952	\$ -	\$ -	\$ -
Other payables	358,698	27,927	-	-	-	11,209	873	-	-	-
Lease liabilities	4,673	8,474	78,155	175,140	3,189	146	265	2,442	5,473	100
	<u>\$ 2,664,400</u>	<u>\$ 1,538,879</u>	<u>\$ 78,155</u>	<u>\$ 175,140</u>	<u>\$ 3,189</u>	<u>\$ 83,263</u>	<u>\$ 48,090</u>	<u>\$ 2,442</u>	<u>\$ 5,473</u>	<u>\$ 100</u>

b) Financing facilities

	March 31, 2025	December 31, 2024	March 31, 2024
<u>NTD</u>			
Other loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>138,775</u>	<u>136,825</u>	<u>800,000</u>
	<u>\$ 138,775</u>	<u>\$ 136,825</u>	<u>\$ 800,000</u>
<u>USD</u>			
Other loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>4,179</u>	<u>4,173</u>	<u>25,000</u>
	<u>\$ 4,179</u>	<u>\$ 4,173</u>	<u>\$ 25,000</u>

27. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides the information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows:

a. Related party name and category

<u>Related Party Name</u>	<u>Related Party Category</u>
Adoresys PTE. LTD.	Associate

b. Receivables due from related parties (exclude loan to related parties)

NTD

Line Item	Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Trade receivables - related parties	Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 144,672</u>

USD

Line Item	Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Trade receivables - related parties	Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,521</u>

The outstanding trade receivables from related parties mentioned above were unsecured. For the three months ended March 31, 2025 and 2024, no provisions for impairment loss were recognized.

c. Prepayments

NTD

Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Associate	\$ <u>-</u>	\$ <u>-</u>	\$ <u>10,449</u>

USD

Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Associate	\$ <u>-</u>	\$ <u>-</u>	\$ <u>327</u>

d. Other accrued expenses

NTD

Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Associate	\$ <u>-</u>	\$ <u>35,441</u>	\$ <u>5,408</u>

USD

Related Party Category	March 31, 2025	December 31, 2024	March 31, 2024
Associate	\$ <u>-</u>	\$ <u>1,081</u>	\$ <u>169</u>

The outstanding other accrued expenses to related parties are unsecured.

e. Service expense

NTD

Line Item	Related Party Category	For the Three Months Ended March 31	
		2025	2024
Research and development expenses	Associate	\$ <u>12,336</u>	\$ <u>15,622</u>

USD

Line Item	Related Party Category	For the Three Months Ended March 31	
		2025	2024
Research and development expenses	Associate	\$ <u>375</u>	\$ <u>497</u>

The associate provides research and development services to the Company. The terms of the transaction were negotiated and determined by both parties because there were no comparable transactions with other third parties.

f. Acquisition of investments accounted for the equity method

Adoresys PTE. LTD. conducted a Series A fund raising in March 2024, issuing 33,000 thousand shares at an exercise price of US\$0.6 per share. In April 2024, the board of directors resolved to subscribe for 3,500 thousand shares, with a total investment amount of NT\$67,001 thousand (US\$2,100 thousand).

g. Remuneration of directors and key management personnel

	For the Three Months Ended March 31	
	2025	2024
<u>NTD</u>		
Other employee benefits	\$ 102,590	\$ 96,083
Share-based payments	2,902	11,633
Post-employment benefits	<u>217</u>	<u>318</u>
	<u>\$ 105,709</u>	<u>\$ 108,034</u>
<u>USD</u>		
Other employee benefits	\$ 3,119	\$ 3,055
Share-based payments	88	370
Post-employment benefits	<u>7</u>	<u>10</u>
	<u>\$ 3,214</u>	<u>\$ 3,435</u>

The remuneration of directors and key executives, as determined by the remuneration committee, is based on the performance of individuals and market trends.

28. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

As of March 31, 2025 and December 31, 2024, the Group provided time deposits amounting to NT\$30,278 thousand (US\$912 thousand) and NT\$30,090 thousand (US\$918 thousand) as tariff guarantees for imported raw materials and collateral for letters of credit.

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, unrecognized commitments of the Group at the end of reporting period were as follows:

- a. The Group entered into a capacity reservation agreement with Company A from July 2022 to June 2025. The Group shall pay a total amount of US\$25,422 thousand in advance for the purchase of materials in accordance with the agreement. The prepayment shall be deducted at the rate of 35% of the total purchase for each order placed by the Group. If the production capacity provided by Company A in any month doesn't meet the commitment, Company A shall pay the Group 0.1% of the prepayment as a penalty for each overdue day, but the maximum shall not exceed 6% of the balance of the prepayment. The Group has prepaid US\$13,220 thousand for the purchase of materials. As of March 31, 2025, December 31, 2024 and March 31, 2024, the prepayment balance amounted to US\$8,800 thousand, US\$8,800 thousand and US\$9,955 thousand, respectively.

- b. The Group entered into SIP license agreements with several companies and shall pay agreed amounts to obtain the authorized license rights over specific period in accordance with the agreements. Under one such license agreement with a particular company, the consolidated company shall make periodic payments of license fees in accordance with the payment schedule stipulated in the agreement. As of March 31, 2025, December 31, 2024 and March 31, 2024, the Group was still obligated to pay US\$23,274 thousand, US\$23,304 thousand and US\$9,566 thousand, respectively.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

March 31, 2025

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 645,050	0.139311 (RMB:USD)	\$ 89,863
NTD	754,155	0.030116 (NTD:USD)	22,712
USD	6,904	149.097957 (USD:JPY)	<u>6,904</u>
			<u>\$ 119,471</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	46,861	0.139311 (RMB:USD)	\$ 6,528
NTD	9,173	0.030116 (NTD:USD)	<u>276</u>
			<u>\$ 6,804</u>
<u>Financial liabilities</u>			
Monetary items			
RMB	57,332	0.139311 (RMB:USD)	\$ 7,987
USD	1,520	149.097957 (USD:JPY)	1,520
NTD	45,559	0.030116 (NTD:USD)	<u>1,372</u>
			<u>\$ 10,879</u>

December 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 705,677	0.139113 (RMB:USD)	\$ 98,169
USD	5,016	156.201187 (USD:JPY)	5,016
NTD	334,798	0.030502 (NTD:USD)	<u>10,212</u>
			<u>\$ 113,397</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	36,061	0.139113 (RMB:USD)	\$ 5,017
NTD	10,123	0.030502 (NTD:USD)	<u>309</u>
			<u>\$ 5,326</u>

Financial liabilities

Monetary items			
RMB	64,325	0.139113 (RMB:USD)	\$ 8,848
USD	1,557	156.201187 (USD:JPY)	1,557
NTD	57,874	0.030502 (NTD:USD)	<u>1,775</u>
			<u>\$ 12,270</u>

March 31, 2024

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 626,133	0.140944 (RMB:USD)	\$ 88,250
USD	4,920	151.308821 (USD:JPY)	4,920
NTD	49,257	0.031250 (NTD:USD)	<u>1,539</u>
			<u>\$ 94,709</u>
			(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	\$ 34,691	0.140944 (RMB:USD)	\$ 4,889
NTD	15,605	0.031250 (NTD:USD)	<u>488</u>
			<u>\$ 5,377</u>
<u>Financial liabilities</u>			
Monetary items			
RMB	87,830	0.140944 (RMB:USD)	\$ 12,379
USD	4,733	151.308821 (USD:JPY)	4,733
NTD	35,010	0.031250 (NTD:USD)	<u>1,094</u>
			<u>\$ 18,206</u>
			(Concluded)

The significant realized and unrealized foreign exchange gains (losses) were as follows:

For the Three Months Ended March 31				
Foreign Currency	2025		2024	
	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)	Exchange Rate (Foreign Currency: Functional Currency)	Net Foreign Exchange Gains (Losses)
RMB	0.139353 (RMB:USD)	\$ (12)	0.140786 (RMB:USD)	\$ 345
USD	148.989852 (USD:JPY)	(247)	148.345943 (USD:JPY)	105
NTD	0.030959 (NTD:USD)	<u>(570)</u>	0.031799 (NTD:USD)	<u>40</u>
		<u>\$ (829)</u>		<u>\$ 490</u>

31. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. Information on investees

- 1) Financing provided to others: None
- 2) Endorsements/guarantees provided: None
- 3) Marketable securities held: Table 1
- 4) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: None
- 5) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Table 2

- 6) Intercompany relationships and significant intercompany transactions: Table 3
- 7) Information on investees: Table 4
- c. Information on investments in mainland China
 - 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the reporting period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 5
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
 - c) The amount of property transactions and the amount of the resultant gains or losses
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
 - e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services

32. SEGMENT INFORMATION

The Group is engaged in research and development, design, and manufacturing of ASIC and SOC and provides related services. These activities are deemed single industry; accordingly, management considers the Group as having only one reportable segment.

TABLE 1

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

SIGNIFICANT MARKETABLE SECURITIES HELD
MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Alchip BVI	<u>Corporate bonds</u>							
	Saudi Arabian Oil	-	Financial assets at fair value through other comprehensive income - current	-	\$ 16,262	-	\$ 16,262	-
	SUMITOMO MITSUI	-	"	-	33,444	-	33,444	-
	Manulife Financial Corp	-	"	-	33,116	-	33,116	-
	TSMC	-	Financial assets at fair value through other comprehensive income - non-current	-	64,199	-	64,199	-
	NTT Finance Corp	-	"	-	33,715	-	33,715	-
	Macquarie Bank	-	"	-	33,850	-	33,850	-
	Banco Santander SA	-	"	-	34,117	-	34,117	-
	Korea National Oil Corp	-	"	-	33,515	-	33,515	-
	Korea Gas Corp	-	"	-	16,941	-	16,941	-
	CK Hutchison International (24) Limited	-	"	-	17,001	-	17,001	-
	Mitsubishi UFJ Financial Group, Inc.	-	"	-	46,502	-	46,502	-
	HSBC Holdings PLC	-	"	-	32,986	-	32,986	-
	Credit Agricole SA	-	"	-	32,925	-	32,925	-
	BP Capital Markets America Inc	-	"	-	31,763	-	31,763	-
	Toyota Motor Credit Corporation	-	"	-	66,995	-	66,995	-
	Saudi International	-	"	-	66,358	-	66,358	-
	Pfizer Investment Enterprises Pte. Ltd.	-	"	-	66,318	-	66,318	-
	Verizon Communications Inc.	-	"	-	32,926	-	32,926	-
	BP Capital Markets America Inc	-	"	-	59,915	-	59,915	-
	Electricite de France	-	"	-	33,985	-	33,985	-
	National Australia Bank Limited	-	"	-	32,737	-	32,737	-
	Goldman Sachs Group, Inc.	-	"	-	33,085	-	33,085	-
	Morgan Stanley	-	"	-	68,914	-	68,914	-
	BNP Paribas	-	"	-	61,718	-	61,718	-
	Mitsubishi UFJ Financial Group, Inc.	-	"	-	67,154	-	67,154	-
	UBS Group AG	-	"	-	69,027	-	69,027	-
	SHINHAN CARD	-	"	-	6,320	-	6,320	-
	Republic of Chile	-	"	-	4,491	-	4,491	-
	<u>Unlisted shares/equity investment fund</u>							
	ACHI CAPITAL PARTNERS FUND L.P.	-	"	-	173,598	1.99	173,598	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2025				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Alchip Shanghai	KQ (Shenzhen) Semiconductor & Technology Industry Equity Investment Fund	-	Financial assets at fair value through other comprehensive income - non-current	-	\$ 98,193	0.81	\$ 98,193	-
	KQ (Suzhou) Emerging Industry Venture Equity Investment Fund	-	"	-	118,577	2.62	118,577	-
Alchip TW	Uniconn Interconnections Technology Co., Ltd.	-	"	3,026	9,173	5.29	9,173	-

Note 1: For the information on investments in subsidiaries and associates, see Tables 4 and 5 for details.

Note 2: This table sets out the securities that the Company has determined to disclose in accordance with the principle of materiality.

(Concluded)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
MARCH 31, 2025

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period (Note)	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Alchip KK	Subsidiary	\$ 224,703	0.0001	\$ -	-	\$ -	\$ -

Note: Amounts received as of May 9, 2025.

TABLE 3

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	Amount (Note 5)	Payment Terms	% of Total Sales or Assets (Note 3)
0	The Company	Alchip KK	a	Accounts receivable	\$ 224,703	Based on regular items	-
1	Alchip Wuxi	Alchip Guangzhou	c	Accounts receivable	14,710	"	-
2	Alchip Hefei	Alchip Guangzhou	c	Accounts receivable	14,710	"	-
3	Alchip US	The Company	b	Accounts receivable	23,801	"	-
4	Alchip Chongqing	Alchip Guangzhou	c	Accounts receivable	29,420	"	-

Note 1: Significant transactions between the Company and its subsidiaries or among subsidiaries are numbered as follows:

- a. Fill in “0” for the parent company.
- b. Subsidiaries are listed in order.

Note 2: Relationship types are as follows:

- a. Parent to subsidiary.
- b. Subsidiary to parent.
- c. Between subsidiaries.

Note 3: For assets and liabilities, amount is shown as a percentage to consolidated total assets as of March 31, 2025, while revenues, costs and expenses are shown as a percentage to consolidated revenues for the three months ended March 31, 2025.

Note 4: The material transactions disclosed in this table may be determined by the Company based on the principle of materiality.

Note 5: The amount was eliminated upon consolidation.

TABLE 4

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE THREE MONTHS ENDED MARCH 31, 2025
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of March 31, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2025	December 31, 2024	Shares (In Thousands)	%	Carrying Amount			
The Company	Alchip HK	Hong Kong	Investments	\$ 598,415 (US\$ 19,129)	\$ 598,415 (US\$ 19,129)	14,165,970	100.0	\$ 2,788,984	\$ (86,818)	\$ (86,818)	-
	Alchip USA	U.S.A.	Product technical support and consulting services	114,922 (US\$ 3,910)	114,922 (US\$ 3,910)	391,000	100.0	9,225	(38,647)	(38,647)	-
	Alchip KK	Japan	Product technical support and consulting services	33,902 (JPY 100,000)	33,902 (JPY 100,000)	2	100.0	175,595	49,274	49,274	-
	Alchip TW	Taiwan	ASIC and SOC services	100	100	10	100.0	409,540	(6,198)	(6,198)	-
	Alchip BVI	Tortola, British Virgin Islands	Investment	1,385,784 (US\$ 43,500) (Note 2)	1,330,959 (US\$ 41,836)	50	100.0	1,545,740 (Note 2)	(5,168)	(5,168)	-
	Alchip MY	Malaysia	Research and development, design, and sales of ASIC and SOC and rendering of related services	32,295 (US\$ 1,000)	32,295 (US\$ 1,000)	4,681	100.0	17,617	(6,181)	(6,181)	-
Alchip HK	Alchip VN	Vietnam	Research and development, design, and sales of ASIC and SOC and rendering of related services	32,180 (US\$ 1,000)	32,180 (US\$ 1,000)	Note 3	100.0	32,539	(114)	(114)	-
Alchip BVI	Adoresys PTE. LTD.	Singapore	IC front-end design technical services	137,324 (US\$ 4,400)	137,324 (US\$ 4,400)	20,000	17.7	95,802	(101,024)	(17,880)	Note 1

Note 1: In March 2024, Alchip BVI invested 3,500 thousand preference shares of Adoresys PTE. LTD. for NT\$67,001 thousand (US\$2,100 thousand) in cash, and the percentage of ownership interest was 17.7% as of March 31, 2025. See Note 27 for details.

Note 2: Among which, an amount of NT\$912,467 thousand (US\$28,400 thousand) had been injected, but the procedures of capital-injection have not been completed.

Note 3: Only the investment amount is displayed on the Company’s business license with no record of shares recorded.

Note 4: For the information on investments in mainland China, see Table 5 for details.

TABLE 5

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2025**
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2025	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of March 31, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of March 31, 2025	Accumulated Repatriation of Investment Income as of March 31, 2025
					Outward	Inward						
Alchip Shanghai	Research and development, design, and sales of ASIC and SOC and rendering of related services	\$ 425,024 (US\$ 12,800) (RMB 102,392)	Note 1, b.	\$ 425,024 (US\$ 12,800)	\$ -	\$ -	\$ 425,024 (US\$ 12,800)	\$ 65,552	100	\$ 65,552 (Note 2, b.)	\$ 1,876,925	\$ -
Alchip Wuxi	Research and development, design, and sales of ASIC and SOC and rendering of related services	66,410 (US\$ 2,000) (RMB 12,482)	Note 1, b.	66,410 (US\$ 2,000)	-	-	66,410 (US\$ 2,000)	(50,774)	100	(50,774) (Note 2, b.)	296,548	-
Alchip Hefei	Research and development, design, and sales of ASIC and SOC and rendering of related services	16,603 (US\$ 500) (RMB 3,469)	Note 1, b.	16,603 (US\$ 500)	-	-	16,603 (US\$ 500)	(22,711)	100	(22,711) (Note 2, b.)	241,401	-
Alchip Jinan	Research and development, design, and sales of ASIC and SOC and rendering of related services	26,033 (US\$ 784) (RMB 5,031)	Note 1, b.	26,033 (US\$ 784)	-	-	26,033 (US\$ 784)	(48,759)	100	(48,759) (Note 2, b.)	166,352	-
Alchip Guangzhou	Research and development, design, and sales of ASIC and SOC and rendering of related services	53,128 (US\$ 1,600) (RMB 10,523)	Note 1, b.	53,128 (US\$ 1,600)	-	-	53,128 (US\$ 1,600)	(29,989)	100	(29,989) (Note 2, b.)	172,621	-
Chiptopia Shanghai	Software development and services, design, and sales of ASIC and SOC related services	50,516 (US\$ 1,521) (RMB 10,000)	Note 1, c.	(Note 3)	-	-	(Note 3)	(6,215)	65	(4,040) (Note 2, b.)	37,947	-
Alchip Chongqing	Research and development, design, and sales of ASIC and SOC and rendering of related services	25,740 (US\$ 775) (RMB 5,000)	Note 1, c.	(Note 4)	-	-	(Note 4)	(30,984)	100	(30,984) (Note 2, b.)	162,220	-

Accumulated Outward Remittance for Investments in Mainland China as of March 31, 2025	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
\$ -	\$ -	\$ -

(Continued)

Note 1: The investment types are as follows:

- a. Direct investment in mainland China.
- b. Indirect investment in mainland China through a subsidiary in a third place. (Investor: Alchip HK)
- c. Others. (Investor: Alchip Guangzhou or Alchip Shanghai)

Note 2: In the column of investment gain or loss:

- a. It should be noted if the investment was still in preparation without investment gain or loss.
- b. The recognition basis of investment gain or loss should be noted as follows:
 - 1) The financial statement is reviewed by an international accounting firm cooperating with accounting firms in Taiwan.
 - 2) The financial statement is reviewed by a certified public accountant cooperating with the parent company in Taiwan.
 - 3) Others.

Note 3: The cumulative investment amount at the beginning and end of the current period does not include the RMB6,500 thousand invested by Alchip Guangzhou.

Note 4: The cumulative investment amount at the beginning and end of the current period does not include the RMB5,000 thousand invested by Alchip Shanghai.

Note 5: The foreign currency listed in Table 5 was presented at the foreign exchange rate of US\$1: NT\$33.205 as of March 31, 2025.

(Concluded)