

**Alchip Technologies, Limited and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2025 and 2024 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Alchip Technologies, Limited

Opinion

We have audited the accompanying consolidated financial statements of Alchip Technologies, Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of June 30, 2025 and 2024, and the consolidated statements of comprehensive income for the three months ended June 30, 2025 and 2024 and for the six months ended June 30, 2025 and 2024, the consolidated statements of changes in equity and cash flows for the six months then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2025 and 2024, and its consolidated financial performance for the three months ended June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 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.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the six months ended June 30, 2025 is stated as follows:

Valuation of Inventory

The Group is mainly engaged in providing silicon design services, producing and selling customized chips. Due to the rapid upgrading of process technology in the semiconductor industry, products may suffer from value decline or obsolescence resulting from the shortening of the product life cycle. With respect to those value-declined or obsolete inventories, a loss reserve is provided in accordance with the Group's inventory impairment policy, furthermore, the inventory turnover, the demand for future orders, and the changes in the external industrial environment policies and regulations are taken into consideration by the management when determining the value of inventory. As such considerations involve the management's subjective judgments with uncertainties, the valuation of inventory is identified as a key audit matter.

As of June 30, 2025, the Group's inventory balance was NT\$1,667,353 thousand (US\$56,906 thousand), accounting for 4% of the total assets in the consolidated balance sheet. Refer to Notes 4, 5 and 11 to the consolidated financial statements for the relative accounting policy and information.

The main audit procedures that we performed in respect of the above area included the following, among others:

1. We obtained an understanding of the management's process for assessing inventory impairment or obsolescence.
2. We obtained the inventory aging report and verified the accuracy and completeness of the report, as well as the correctness of the classification for each aging interval. Furthermore, we recalculated the provision of the impairment loss in accordance with the inventory impairment policy.
3. We performed a retrospective review of prior year management estimation of inventory impairment or obsolescence losses based on the Group's inventory turnover and actual obsolescence conditions, and conducted a comparative analysis with the current year's estimations to evaluate the reasonableness of management's inventory impairment policy.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the 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, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including members of the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2025, and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

Chien - Liang Liu Li-chun Chang

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 13, 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' 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' report and consolidated financial statements shall prevail.

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2025		December 31, 2024		June 30, 2024	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 31,049,273	64	\$ 27,044,210	54	\$ 23,249,241	44
Financial assets at fair value through other comprehensive income (Note 7)	165,032	-	15,936	-	32,388	-
Financial assets at amortized cost (Notes 8 and 28)	4,482,528	9	2,367,661	5	1,407,687	3
Trade receivables, net (Note 10)	1,951,644	4	5,729,833	11	5,321,267	10
Trade receivables due from related parties (Notes 10 and 27)	-	-	-	-	65,582	-
Other receivables	216,433	1	408,040	1	310,011	1
Inventories (Note 11)	1,667,353	4	8,660,525	17	16,166,292	31
Prepayments (Notes 16, 27 and 29)	4,298,393	9	1,651,686	3	1,165,313	2
Other current assets	<u>34,677</u>	<u>-</u>	<u>305,987</u>	<u>1</u>	<u>494,915</u>	<u>1</u>
Total current assets	<u>43,865,333</u>	<u>91</u>	<u>46,183,878</u>	<u>92</u>	<u>48,212,696</u>	<u>92</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 7)	1,855,405	4	1,389,686	3	1,053,001	2
Financial assets at amortized cost (Notes 8 and 28)	81,860	-	91,216	-	182,129	-
Investments accounted for using the equity method (Note 27)	81,835	-	118,959	-	80,358	-
Property, plant and equipment (Note 13)	1,585,098	3	1,775,456	4	1,847,154	4
Right-of-use assets (Note 14)	183,173	-	233,131	-	246,704	1
Intangible assets (Note 15)	271,237	1	247,930	1	138,206	-
Deferred tax assets	225,108	1	168,603	-	127,437	-
Prepayments for equipment	-	-	-	-	237,510	1
Other non-current assets	<u>98,031</u>	<u>-</u>	<u>100,496</u>	<u>-</u>	<u>99,973</u>	<u>-</u>
Total non-current assets	<u>4,381,747</u>	<u>9</u>	<u>4,125,477</u>	<u>8</u>	<u>4,012,472</u>	<u>8</u>
TOTAL	<u>\$ 48,247,080</u>	<u>100</u>	<u>\$ 50,309,355</u>	<u>100</u>	<u>\$ 52,225,168</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Note 20)	\$ 7,152,532	15	\$ 6,113,935	12	\$ 10,376,534	20
Trade payables	894,693	2	1,826,327	4	3,518,654	7
Other payables (Note 17)	4,180,905	9	1,682,797	3	3,193,330	6
Other payables to related parties (Note 27)	-	-	35,441	-	-	-
Current tax liabilities	652,103	1	898,373	2	691,465	1
Lease liabilities (Note 14)	61,069	-	75,430	-	80,796	-
Other current liabilities	<u>17,941</u>	<u>-</u>	<u>39,386</u>	<u>-</u>	<u>24,296</u>	<u>-</u>
Total current liabilities	<u>12,959,243</u>	<u>27</u>	<u>10,671,689</u>	<u>21</u>	<u>17,885,075</u>	<u>34</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	1,741	-	6,116	-	3,604	-
Lease liabilities (Note 14)	125,541	-	131,900	1	162,438	1
Deferred revenue	<u>20,465</u>	<u>-</u>	<u>22,804</u>	<u>-</u>	<u>22,766</u>	<u>-</u>
Total non-current liabilities	<u>147,747</u>	<u>-</u>	<u>160,820</u>	<u>1</u>	<u>188,808</u>	<u>1</u>
Total liabilities	<u>13,106,990</u>	<u>27</u>	<u>10,832,509</u>	<u>22</u>	<u>18,073,883</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 18 and 19)						
Share capital	<u>809,434</u>	<u>2</u>	<u>806,485</u>	<u>2</u>	<u>797,155</u>	<u>1</u>
Capital surplus	<u>25,540,122</u>	<u>53</u>	<u>25,350,477</u>	<u>50</u>	<u>24,150,440</u>	<u>46</u>
Retained earnings						
Special reserve	67,693	-	67,693	-	67,693	-
Unappropriated earnings	<u>10,525,844</u>	<u>22</u>	<u>10,684,554</u>	<u>21</u>	<u>7,029,799</u>	<u>14</u>
Total retained earnings	<u>10,593,537</u>	<u>22</u>	<u>10,752,247</u>	<u>21</u>	<u>7,097,492</u>	<u>14</u>
Other equity	<u>(1,820,455)</u>	<u>(4)</u>	<u>2,546,513</u>	<u>5</u>	<u>2,087,621</u>	<u>4</u>
Total equity attributable to owners of the Company	35,122,638	73	39,455,722	78	34,132,708	65
NON-CONTROLLING INTERESTS	<u>17,452</u>	<u>-</u>	<u>21,124</u>	<u>-</u>	<u>18,577</u>	<u>-</u>
Total equity	<u>35,140,090</u>	<u>73</u>	<u>39,476,846</u>	<u>78</u>	<u>34,151,285</u>	<u>65</u>
TOTAL	<u>\$ 48,247,080</u>	<u>100</u>	<u>\$ 50,309,355</u>	<u>100</u>	<u>\$ 52,225,168</u>	<u>100</u>

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)

	June 30, 2025		December 31, 2024		June 30, 2024	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 1,059,702	64	\$ 824,896	54	\$ 716,464	44
Financial assets at fair value through other comprehensive income (Note 7)	5,632	-	486	-	998	-
Financial assets at amortized cost (Notes 8 and 28)	152,987	9	72,218	5	43,380	3
Trade receivables, net (Note 10)	66,609	4	174,770	11	163,984	10
Trade receivables due from related parties (Notes 10 and 27)	-	-	-	-	2,021	-
Other receivables	7,386	1	12,446	1	9,554	1
Inventories (Note 11)	56,906	4	264,161	17	498,191	31
Prepayments (Notes 16, 27 and 29)	146,703	9	50,379	3	35,911	2
Other current assets	<u>1,184</u>	<u>-</u>	<u>9,333</u>	<u>1</u>	<u>15,251</u>	<u>1</u>
Total current assets	<u>1,497,109</u>	<u>91</u>	<u>1,408,689</u>	<u>92</u>	<u>1,485,754</u>	<u>92</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income (Note 7)	63,324	4	42,388	3	32,450	2
Financial assets at amortized cost (Notes 8 and 28)	2,794	-	2,782	-	5,613	-
Investments accounted for using the equity method (Note 27)	2,793	-	3,628	-	2,476	-
Property, plant and equipment (Note 13)	54,099	3	54,155	4	56,923	4
Right-of-use assets (Note 14)	6,252	-	7,111	-	7,603	1
Intangible assets (Note 15)	9,257	1	7,562	1	4,259	-
Deferred tax assets	7,683	1	5,143	-	3,927	-
Prepayments for equipment	-	-	-	-	7,319	1
Other non-current assets	<u>3,346</u>	<u>-</u>	<u>3,065</u>	<u>-</u>	<u>3,081</u>	<u>-</u>
Total non-current assets	<u>149,548</u>	<u>9</u>	<u>125,834</u>	<u>8</u>	<u>123,651</u>	<u>8</u>
TOTAL	<u>\$ 1,646,657</u>	<u>100</u>	<u>\$ 1,534,523</u>	<u>100</u>	<u>\$ 1,609,405</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Contract liabilities (Note 20)	\$ 244,114	15	\$ 186,486	12	\$ 319,770	20
Trade payables	30,536	2	55,706	4	108,433	7
Other payables (Note 17)	142,693	9	51,328	3	98,408	6
Other payables to related parties (Note 27)	-	-	1,081	-	-	-
Current tax liabilities	22,256	1	27,402	2	21,309	1
Lease liabilities (Note 14)	2,084	-	2,301	-	2,490	-
Other current liabilities	<u>612</u>	<u>-</u>	<u>1,201</u>	<u>-</u>	<u>748</u>	<u>-</u>
Total current liabilities	<u>442,295</u>	<u>27</u>	<u>325,505</u>	<u>21</u>	<u>551,158</u>	<u>34</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	59	-	187	-	111	-
Lease liabilities (Note 14)	4,285	-	4,023	1	5,006	1
Deferred revenue	<u>698</u>	<u>-</u>	<u>695</u>	<u>-</u>	<u>702</u>	<u>-</u>
Total non-current liabilities	<u>5,042</u>	<u>-</u>	<u>4,905</u>	<u>1</u>	<u>5,819</u>	<u>1</u>
Total liabilities	<u>447,337</u>	<u>27</u>	<u>330,410</u>	<u>22</u>	<u>556,977</u>	<u>35</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 18 and 19)						
Share capital	<u>25,908</u>	<u>2</u>	<u>25,815</u>	<u>1</u>	<u>25,525</u>	<u>1</u>
Capital surplus	<u>836,464</u>	<u>51</u>	<u>830,536</u>	<u>54</u>	<u>793,145</u>	<u>49</u>
Retained earnings						
Special reserve	2,799	-	2,799	-	2,799	-
Unappropriated earnings	<u>335,712</u>	<u>20</u>	<u>346,802</u>	<u>23</u>	<u>233,563</u>	<u>15</u>
Total retained earnings	<u>338,511</u>	<u>20</u>	<u>349,601</u>	<u>23</u>	<u>236,362</u>	<u>15</u>
Other equity	<u>(2,129)</u>	<u>-</u>	<u>(2,521)</u>	<u>-</u>	<u>(3,207)</u>	<u>-</u>
Total equity attributable to owners of the Company	1,198,754	73	1,203,431	78	1,051,825	65
NON-CONTROLLING INTERESTS	<u>566</u>	<u>-</u>	<u>682</u>	<u>-</u>	<u>603</u>	<u>-</u>
Total equity	<u>1,199,320</u>	<u>73</u>	<u>1,204,113</u>	<u>78</u>	<u>1,052,428</u>	<u>65</u>
TOTAL	<u>\$ 1,646,657</u>	<u>100</u>	<u>\$ 1,534,523</u>	<u>100</u>	<u>\$ 1,609,405</u>	<u>100</u>

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, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 20)	\$ 9,143,997	100	\$ 13,581,755	100	\$ 19,628,852	100	\$ 24,071,743	100
OPERATING COSTS (Notes 11 and 21)	<u>7,256,782</u>	<u>80</u>	<u>11,006,187</u>	<u>81</u>	<u>15,312,889</u>	<u>78</u>	<u>19,525,168</u>	<u>81</u>
GROSS PROFIT	<u>1,887,215</u>	<u>20</u>	<u>2,575,568</u>	<u>19</u>	<u>4,315,963</u>	<u>22</u>	<u>4,546,575</u>	<u>19</u>
OPERATING EXPENSES (Notes 10, 21 and 27)								
Selling and marketing expenses	85,814	1	76,665	1	146,926	1	135,674	1
General and administrative expenses	165,115	2	240,252	2	352,659	2	489,530	2
Research and development expenses	494,041	5	607,741	4	960,719	5	1,091,443	4
Expected credit (gain) loss on trade receivables	<u>(7,851)</u>	<u>-</u>	<u>1,332</u>	<u>-</u>	<u>211,103</u>	<u>1</u>	<u>(31,382)</u>	<u>-</u>
Total operating expenses	<u>737,119</u>	<u>8</u>	<u>925,990</u>	<u>7</u>	<u>1,671,407</u>	<u>9</u>	<u>1,685,265</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>1,150,096</u>	<u>12</u>	<u>1,649,578</u>	<u>12</u>	<u>2,644,556</u>	<u>13</u>	<u>2,861,310</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Note 21)								
Interest income	411,411	5	317,823	3	741,823	4	596,141	3
Other income	12,599	-	23,826	-	28,253	-	77,647	-
Other gains and losses	31,472	-	(8,455)	-	3,884	-	7,171	-
Finance costs	(1,815)	-	(2,424)	-	(3,691)	-	(4,836)	-
Expected credit loss	(586)	-	(646)	-	(589)	-	(478)	-
Share of (loss) gain of associates by the equity method	<u>(3,730)</u>	<u>-</u>	<u>4,281</u>	<u>-</u>	<u>(21,610)</u>	<u>-</u>	<u>(20,131)</u>	<u>-</u>
Total non-operating income and expenses	<u>449,351</u>	<u>5</u>	<u>334,405</u>	<u>3</u>	<u>748,070</u>	<u>4</u>	<u>655,514</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	1,599,447	17	1,983,983	15	3,392,626	17	3,516,824	15
INCOME TAX EXPENSE (Note 22)	<u>277,422</u>	<u>3</u>	<u>395,024</u>	<u>3</u>	<u>609,258</u>	<u>3</u>	<u>701,602</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>1,322,025</u>	<u>14</u>	<u>1,588,959</u>	<u>12</u>	<u>2,783,368</u>	<u>14</u>	<u>2,815,222</u>	<u>12</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	(675)	-	(23,577)	-	(5,548)	-	(131,474)	(1)
Exchange differences on translation to the presentation currency	(4,900,101)	(53)	471,019	3	(4,379,425)	(22)	1,507,611	6

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ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ 3,155	-	\$ (5,191)	-	\$ 9,913	-	\$ (12,172)	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	<u>4,029</u>	-	<u>(2,720)</u>	-	<u>8,092</u>	-	<u>(2,811)</u>	-
Other comprehensive income (loss) for the period, net of income tax	<u>(4,893,592)</u>	<u>(53)</u>	<u>439,531</u>	<u>3</u>	<u>(4,366,968)</u>	<u>(22)</u>	<u>1,361,154</u>	<u>5</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ (3,571,567)</u>	<u>(39)</u>	<u>\$ 2,028,490</u>	<u>15</u>	<u>\$ (1,583,600)</u>	<u>(8)</u>	<u>\$ 4,176,376</u>	<u>17</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO								
Owners of the Company	\$ 1,323,522	14	\$ 1,586,701	12	\$ 2,787,040	14	\$ 2,816,948	12
Non-controlling interests	<u>(1,497)</u>	-	<u>2,258</u>	-	<u>(3,672)</u>	-	<u>(1,726)</u>	-
	<u>\$ 1,322,025</u>	<u>14</u>	<u>\$ 1,588,959</u>	<u>12</u>	<u>\$ 2,783,368</u>	<u>14</u>	<u>\$ 2,815,222</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO								
Owners of the Company	\$ (3,570,070)	(39)	\$ 2,026,232	15	\$ (1,579,928)	(8)	\$ 4,178,102	17
Non-controlling interests	<u>(1,497)</u>	-	<u>2,258</u>	-	<u>(3,672)</u>	-	<u>(1,726)</u>	-
	<u>\$ (3,571,567)</u>	<u>(39)</u>	<u>\$ 2,028,490</u>	<u>15</u>	<u>\$ (1,583,600)</u>	<u>(8)</u>	<u>\$ 4,176,376</u>	<u>17</u>
EARNINGS PER SHARE (Note 23)								
Basic	<u>\$ 16.37</u>		<u>\$ 20.05</u>		<u>\$ 34.49</u>		<u>\$ 35.92</u>	
Diluted	<u>\$ 16.02</u>		<u>\$ 19.38</u>		<u>\$ 33.71</u>		<u>\$ 34.47</u>	

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

(Concluded)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Note 20)	\$ 297,379	100	\$ 421,011	100	\$ 616,116	100	\$ 754,577	100
OPERATING COSTS (Notes 11 and 21)	<u>235,742</u>	<u>79</u>	<u>341,164</u>	<u>81</u>	<u>480,646</u>	<u>78</u>	<u>612,055</u>	<u>81</u>
GROSS PROFIT	<u>61,637</u>	<u>21</u>	<u>79,847</u>	<u>19</u>	<u>135,470</u>	<u>22</u>	<u>142,522</u>	<u>19</u>
OPERATING EXPENSES (Notes 10, 21 and 27)								
Selling and marketing expenses	2,754	1	2,377	1	4,612	1	4,253	1
General and administrative expenses	5,368	2	7,418	2	11,069	2	15,345	2
Research and development expenses	15,969	5	18,833	4	30,156	5	34,214	4
Expected credit (gain) loss on trade receivables	<u>(30)</u>	<u>-</u>	<u>56</u>	<u>-</u>	<u>6,626</u>	<u>1</u>	<u>(984)</u>	<u>-</u>
Total operating expenses	<u>24,061</u>	<u>8</u>	<u>28,684</u>	<u>7</u>	<u>52,463</u>	<u>9</u>	<u>52,828</u>	<u>7</u>
PROFIT FROM OPERATIONS	<u>37,576</u>	<u>13</u>	<u>51,163</u>	<u>12</u>	<u>83,007</u>	<u>13</u>	<u>89,694</u>	<u>12</u>
NON-OPERATING INCOME AND EXPENSES (Note 21)								
Interest income	13,240	5	9,837	2	23,285	4	18,687	3
Other income	411	-	722	-	887	-	2,434	-
Other gains and losses	961	-	(272)	-	122	-	225	-
Finance costs	(59)	-	(75)	-	(116)	-	(152)	-
Expected credit loss	(19)	-	(20)	-	(19)	-	(15)	-
Share of (loss) gain of associates by the equity method	<u>(134)</u>	<u>-</u>	<u>145</u>	<u>-</u>	<u>(678)</u>	<u>-</u>	<u>(631)</u>	<u>-</u>
Total non-operating income and expenses	<u>14,400</u>	<u>5</u>	<u>10,337</u>	<u>2</u>	<u>23,481</u>	<u>4</u>	<u>20,548</u>	<u>3</u>
PROFIT BEFORE INCOME TAX	51,976	18	61,500	14	106,488	17	110,242	15
INCOME TAX EXPENSE (Note 22)	<u>9,036</u>	<u>3</u>	<u>12,244</u>	<u>3</u>	<u>19,124</u>	<u>3</u>	<u>21,993</u>	<u>3</u>
NET PROFIT FOR THE PERIOD	<u>42,940</u>	<u>15</u>	<u>49,256</u>	<u>11</u>	<u>87,364</u>	<u>14</u>	<u>88,249</u>	<u>12</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	(26)	-	(690)	-	(174)	-	(4,121)	(1)

(Continued)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

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

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2025		2024		2025		2024	
	Amount	%	Amount	%	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translation of the financial statements of foreign operations	\$ 107	-	\$ (160)	-	\$ 312	-	\$ (382)	-
Unrealized gain (loss) on investments in debt instruments at fair value through other comprehensive income	<u>131</u>	<u>-</u>	<u>(85)</u>	<u>-</u>	<u>254</u>	<u>-</u>	<u>(88)</u>	<u>-</u>
Other comprehensive income (loss) for the period, net of income tax	<u>212</u>	<u>-</u>	<u>(935)</u>	<u>-</u>	<u>392</u>	<u>-</u>	<u>(4,591)</u>	<u>(1)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 43,152</u>	<u>15</u>	<u>\$ 48,321</u>	<u>11</u>	<u>\$ 87,756</u>	<u>14</u>	<u>\$ 83,658</u>	<u>11</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO								
Owners of the Company	\$ 42,989	14	\$ 49,183	12	\$ 87,480	14	\$ 88,303	12
Non-controlling interests	<u>(49)</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>(116)</u>	<u>-</u>	<u>(54)</u>	<u>-</u>
	<u>\$ 42,940</u>	<u>14</u>	<u>\$ 49,256</u>	<u>12</u>	<u>\$ 87,364</u>	<u>14</u>	<u>\$ 88,249</u>	<u>12</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO								
Owners of the Company	\$ 43,201	15	\$ 48,248	11	\$ 87,872	14	\$ 83,712	11
Non-controlling interests	<u>(49)</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>(116)</u>	<u>-</u>	<u>(54)</u>	<u>-</u>
	<u>\$ 43,152</u>	<u>15</u>	<u>\$ 48,321</u>	<u>11</u>	<u>\$ 87,756</u>	<u>14</u>	<u>\$ 83,658</u>	<u>11</u>
EARNINGS PER SHARE (Note 23)								
Basic	<u>\$ 0.53</u>		<u>\$ 0.62</u>		<u>\$ 1.08</u>		<u>\$ 1.13</u>	
Diluted	<u>\$ 0.52</u>		<u>\$ 0.60</u>		<u>\$ 1.06</u>		<u>\$ 1.08</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	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				
		Share Premium	Share Options	Other	Total		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	
Appropriation of 2023's earnings														
Cash dividends	-	-	-	-	-	-	(1,818,236)	(1,818,236)	-	-	(1,818,236)	-	(1,818,236)	
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	
Issuance of ordinary shares by private placement	2,245	532,602	-	-	532,602	-	-	-	-	-	534,847	-	534,847	
Share-based payments	-	-	105,160	-	105,160	-	-	-	-	-	105,160	-	105,160	
Issuance of ordinary shares under the employee share options	14,723	490,936	(180,364)	-	310,572	-	-	-	-	-	325,295	-	325,295	
Net profit for the six months ended June 30, 2024	-	-	-	-	-	-	2,816,948	2,816,948	-	-	2,816,948	(1,726)	2,815,222	
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	-	1,495,439	(134,285)	1,361,154	-	1,361,154	
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	2,816,948	2,816,948	1,495,439	(134,285)	4,178,102	(1,726)	4,176,376	
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	-	(25,984)	(25,984)	-	-	(25,984)	-	(25,984)	
BALANCE AT JUNE 30, 2024	<u>\$ 797,155</u>	<u>\$ 23,361,249</u>	<u>\$ 789,191</u>	<u>\$ -</u>	<u>\$ 24,150,440</u>	<u>\$ 67,693</u>	<u>\$ 7,029,799</u>	<u>\$ 7,097,492</u>	<u>\$ 2,154,821</u>	<u>\$ (67,200)</u>	<u>\$ 34,132,708</u>	<u>\$ 18,577</u>	<u>\$ 34,151,285</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	
Appropriation of 2024's earnings														
Cash dividends	-	-	-	-	-	-	(2,945,750)	(2,945,750)	-	-	(2,945,750)	-	(2,945,750)	
Share-based payments	-	-	44,426	-	44,426	-	-	-	-	-	44,426	-	44,426	
Issuance of ordinary shares under the employee share options	2,949	243,349	(93,115)	-	150,234	-	-	-	-	-	153,183	-	153,183	
Net profit for the six months ended June 30, 2025	-	-	-	-	-	-	2,787,040	2,787,040	-	-	2,787,040	(3,672)	2,783,368	
Other comprehensive income (loss) for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	-	(4,369,512)	2,544	(4,366,968)	-	(4,366,968)	
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	2,787,040	2,787,040	(4,369,512)	2,544	(1,579,928)	(3,672)	(1,583,600)	
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(5,015)	(5,015)	-	-	-	-	-	(5,015)	-	(5,015)	
BALANCE AT JUNE 30, 2025	<u>\$ 809,434</u>	<u>\$ 24,755,553</u>	<u>\$ 769,889</u>	<u>\$ 14,680</u>	<u>\$ 25,540,122</u>	<u>\$ 67,693</u>	<u>\$ 10,525,844</u>	<u>\$ 10,593,537</u>	<u>\$ (1,776,994)</u>	<u>\$ (43,461)</u>	<u>\$ 35,122,638</u>	<u>\$ 17,452</u>	<u>\$ 35,140,090</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		Total	Non-controlling Interests	Total Equity
	Share Capital	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				
		Share Premium	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	
Appropriation of 2023's earnings														
Cash dividends	-	-	-	-	-	-	(56,301)	(56,301)	-	-	(56,301)	-	(56,301)	
Issuance of ordinary shares in the form of sponsored Global Depositary Receipts	1,179	407,317	-	-	407,317	-	-	-	-	-	408,496	-	408,496	
Issuance of ordinary shares by private placement	69	16,431	-	-	16,431	-	-	-	-	-	16,500	-	16,500	
Share-based payments	-	-	3,296	-	3,296	-	-	-	-	-	3,296	-	3,296	
Issuance of ordinary shares under the employee share options	463	15,915	(6,129)	-	9,786	-	-	-	-	-	10,249	-	10,249	
Net profit for the six months ended June 30, 2024	-	-	-	-	-	-	88,303	88,303	-	-	88,303	(54)	88,249	
Other comprehensive loss for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	-	(382)	(4,209)	(4,591)	-	(4,591)	
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	88,303	88,303	(382)	(4,209)	83,712	(54)	83,658	
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	-	-	-	(816)	(816)	-	-	(816)	-	(816)	
BALANCE AT JUNE 30, 2024	<u>\$ 25,525</u>	<u>\$ 768,375</u>	<u>\$ 24,770</u>	<u>\$ -</u>	<u>\$ 793,145</u>	<u>\$ 2,799</u>	<u>\$ 233,563</u>	<u>\$ 236,362</u>	<u>\$ (1,292)</u>	<u>\$ (1,915)</u>	<u>\$ 1,051,825</u>	<u>\$ 603</u>	<u>\$ 1,052,428</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	
Appropriation of 2024's earnings														
Cash dividends	-	-	-	-	-	-	(98,570)	(98,570)	-	-	(98,570)	-	(98,570)	
Share-based payments	-	-	1,394	-	1,394	-	-	-	-	-	1,394	-	1,394	
Issuance of ordinary shares under the employee share options	93	7,729	(3,038)	-	4,691	-	-	-	-	-	4,784	-	4,784	
Net profit for the six months ended June 30, 2025	-	-	-	-	-	-	87,480	87,480	-	-	87,480	(116)	87,364	
Other comprehensive loss for the six months ended June 30, 2025, net of income tax	-	-	-	-	-	-	-	-	312	80	392	-	392	
Total comprehensive income (loss) for the six months ended June 30, 2025	-	-	-	-	-	-	87,480	87,480	312	80	87,872	(116)	87,756	
Changes in capital surplus from investments in associates accounted for using the equity method	-	-	-	(157)	(157)	-	-	-	-	-	(157)	-	(157)	
BALANCE AT JUNE 30, 2025	<u>\$ 25,908</u>	<u>\$ 812,063</u>	<u>\$ 23,941</u>	<u>\$ 460</u>	<u>\$ 836,464</u>	<u>\$ 2,799</u>	<u>\$ 335,712</u>	<u>\$ 338,511</u>	<u>\$ (981)</u>	<u>\$ (1,148)</u>	<u>\$ 1,198,754</u>	<u>\$ 566</u>	<u>\$ 1,199,320</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 Six Months Ended June 30			
	2025		2024	
	USD	NTD	USD	NTD
CASH FLOWS FROM OPERATING ACTIVITIES				
Income before income tax	\$ 106,488	\$ 3,392,626	\$ 110,242	\$ 3,516,824
Adjustments for:				
Depreciation and amortization	48,801	1,554,740	29,770	949,709
Expected credit loss (gain)	6,645	211,692	(969)	(30,904)
Finance costs	116	3,691	152	4,836
Interest income	(23,285)	(741,823)	(18,687)	(596,141)
Share-based compensation	1,394	44,426	3,296	105,160
Share of loss of associates by the equity method	678	21,610	631	20,131
Loss (gain) on disposal of equipment	6	202	(10)	(320)
Loss (gain) on disposal of financial assets	2	49	(8)	(269)
Write-down (reversal) of inventories	5,918	188,540	(957)	(30,528)
Net unrealized gain on foreign currency exchange	(300)	(5,265)	(1,369)	(43,633)
Amortization of prepayments	4,866	155,033	5,146	164,166
Net changes in operating assets and liabilities				
Trade receivables	101,512	3,234,066	(85,480)	(2,726,907)
Other receivables	5,847	186,256	(1,997)	(63,685)
Inventories	201,337	6,414,396	(118,989)	(3,795,879)
Prepayments	(100,334)	(3,196,539)	(11,657)	(371,827)
Other current assets	8,149	259,639	(9,164)	(292,364)
Contract liabilities	57,628	1,835,970	(19,190)	(612,191)
Trade payables	(25,169)	(801,874)	46,647	1,488,084
Other payables	(2,121)	(71,833)	13,235	422,223
Other payables to related parties	(1,081)	(34,440)	-	-
Other current liabilities	(589)	(18,766)	(920)	(29,298)
Deferred revenue	3	92	(794)	(25,352)
Net cash generated from (used in) operations	396,511	12,632,488	(61,072)	(1,948,165)
Interest paid	(116)	(3,691)	(152)	(4,836)
Income tax paid	(26,936)	(858,131)	(23,135)	(738,085)
Net cash generated from (used in) operating activities	369,459	11,770,666	(84,359)	(2,691,086)

(Continued)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	For the Six Months Ended June 30			
	2025		2024	
	USD	NTD	USD	NTD
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of financial assets at fair value through other comprehensive income	\$ (27,600)	\$ (879,308)	\$ (22,947)	\$ (732,043)
Proceeds from sale of financial assets at fair value through other comprehensive income	1,400	44,603	2,000	63,802
Purchase of financial assets at amortized cost	(173,689)	(5,533,539)	(38,539)	(1,229,453)
Proceeds from sale of financial assets at amortized cost	93,029	2,963,796	119,007	3,796,431
Acquisition of investments accounted for using the equity method	-	-	(2,100)	(67,001)
Payments for purchase of equipment	(48,143)	(1,533,754)	(25,650)	(818,287)
Proceeds from disposal of equipment	4	143	22	709
Payments for refundable deposits	(268)	(8,546)	(151)	(4,826)
Inward of refundable deposits	9	293	72	2,303
Payments for purchase of intangible assets	(6,678)	(212,738)	(7,035)	(224,482)
Increase in prepayments for equipment	-	-	(8,317)	(265,332)
Interest received	<u>22,666</u>	<u>722,110</u>	<u>18,077</u>	<u>576,675</u>
Net cash (used in) generated from investing activities	<u>(139,270)</u>	<u>(4,436,940)</u>	<u>34,439</u>	<u>1,098,496</u>
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from issuance of ordinary shares in the form of sponsored Global Depositary Receipts	-	-	408,496	12,819,410
Proceeds from issuance of ordinary shares by private placement	-	-	16,500	534,847
Repayment of the principal portion of lease liabilities	(827)	(26,348)	(832)	(26,548)
Proceeds from exercise of employee share options	<u>4,784</u>	<u>153,183</u>	<u>10,249</u>	<u>325,295</u>
Net cash generated from financing activities	<u>3,957</u>	<u>126,835</u>	<u>434,413</u>	<u>13,653,004</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	<u>660</u>	<u>(3,455,498)</u>	<u>1,095</u>	<u>1,029,271</u>

(Continued)

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	For the Six Months Ended June 30			
	2025		2024	
	USD	NTD	USD	NTD
NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 234,806	\$ 4,005,063	\$ 385,588	\$ 13,089,685
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>\$ 1,059,702</u>	<u>\$ 31,049,273</u>	<u>\$ 716,464</u>	<u>\$ 23,249,241</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 SIX MONTHS ENDED JUNE 30, 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 August 13, 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”	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Contracts Referencing Nature-dependent Electricity”	January 1, 2026
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
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

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of the above 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

<u>New, Amended and Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note)</u>
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 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 3 and Table 4 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. The interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

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.

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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Demand deposits	\$ 25,275,873	\$ 20,616,900	\$ 14,836,024
Cash equivalents (time deposits with original maturities of 3 months or less)	5,756,378	6,419,978	8,390,210
Checking accounts	16,717	6,987	22,678
Petty cash	<u>305</u>	<u>345</u>	<u>329</u>
	<u>\$ 31,049,273</u>	<u>\$ 27,044,210</u>	<u>\$ 23,249,241</u>
<u>USD</u>			
Demand deposits	\$ 862,657	\$ 628,851	\$ 457,197
Cash equivalents (time deposits with original maturities of 3 months or less)	196,464	195,821	258,558
Checking accounts	571	213	699
Petty cash	<u>10</u>	<u>11</u>	<u>10</u>
	<u>\$ 1,059,702</u>	<u>\$ 824,896</u>	<u>\$ 716,464</u>

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Investment in debt instruments (a)	\$ 1,652,093	\$ 1,106,998	\$ 838,436
Investment in equity instruments (b)	<u>368,344</u>	<u>298,624</u>	<u>246,953</u>
	<u>\$ 2,020,437</u>	<u>\$ 1,405,622</u>	<u>\$ 1,085,389</u>
Current	\$ 165,032	\$ 15,936	\$ 32,388
Non-current	<u>1,855,405</u>	<u>1,389,686</u>	<u>1,053,001</u>
	<u>\$ 2,020,437</u>	<u>\$ 1,405,622</u>	<u>\$ 1,085,389</u>
<u>USD</u>			
Investment in debt instruments (a)	\$ 56,386	\$ 33,765	\$ 25,838
Investment in equity instruments (b)	<u>12,570</u>	<u>9,109</u>	<u>7,610</u>
	<u>\$ 68,956</u>	<u>\$ 42,874</u>	<u>\$ 33,448</u>
Current	\$ 5,632	\$ 486	\$ 998
Non-current	<u>63,324</u>	<u>42,388</u>	<u>32,450</u>
	<u>\$ 68,956</u>	<u>\$ 42,874</u>	<u>\$ 33,448</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 the bonds, 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 fair value through other comprehensive income (FVTOCI).

b. Investments in equity instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ -	\$ 10,123	\$ 9,824
Foreign investments			
Equity investment fund	<u>368,344</u>	<u>288,501</u>	<u>237,129</u>
	<u>\$ 368,344</u>	<u>\$ 298,624</u>	<u>\$ 246,953</u>

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>USD</u>			
<u>Non-current</u>			
Domestic investments			
Unlisted shares	\$ -	\$ 309	\$ 302
Foreign investments			
Equity investment fund	<u>12,570</u>	<u>8,800</u>	<u>7,308</u>
	<u>\$ 12,570</u>	<u>\$ 9,109</u>	<u>\$ 7,610</u>
			(Concluded)

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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Time deposits with original maturities of more than 3 months	\$ 4,534,107	\$ 2,428,787	\$ 1,559,784
Pledged time deposits (Note 28)	<u>30,281</u>	<u>30,090</u>	<u>30,032</u>
	<u>\$ 4,564,388</u>	<u>\$ 2,458,877</u>	<u>\$ 1,589,816</u>
Current	\$ 4,482,528	\$ 2,367,661	\$ 1,407,687
Non-current	<u>81,860</u>	<u>91,216</u>	<u>182,129</u>
	<u>\$ 4,564,388</u>	<u>\$ 2,458,877</u>	<u>\$ 1,589,816</u>
<u>USD</u>			
Time deposits with original maturities of more than 3 months	\$ 154,748	\$ 74,082	\$ 48,068
Pledged time deposits (Note 28)	<u>1,033</u>	<u>918</u>	<u>925</u>
	<u>\$ 155,781</u>	<u>\$ 75,000</u>	<u>\$ 48,993</u>
Current	\$ 152,987	\$ 72,218	\$ 43,380
Non-current	<u>2,794</u>	<u>2,782</u>	<u>5,613</u>
	<u>\$ 155,781</u>	<u>\$ 75,000</u>	<u>\$ 48,993</u>

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:

June 30, 2025

	At FVTOCI		At Amortized Cost	
	NTD	USD	NTD	USD
Gross carrying amount	\$ 1,645,569	\$ 56,163	\$ 4,564,388	\$ 155,781
Less: Allowance for impairment loss	<u>(1,178)</u>	<u>(39)</u>	<u>-</u>	<u>-</u>
Amortized cost	1,644,391	56,124	<u>\$ 4,564,388</u>	<u>\$ 155,781</u>
Adjustment to fair value	<u>7,702</u>	<u>262</u>		
	<u>\$ 1,652,093</u>	<u>\$ 56,386</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>		

June 30, 2024

	At FVTOCI		At Amortized Cost	
	NTD	USD	NTD	USD
Gross carrying amount	\$ 844,758	\$ 26,033	\$ 1,589,816	\$ 48,993
Less: Allowance for impairment loss	<u>(590)</u>	<u>(18)</u>	<u>-</u>	<u>-</u>
Amortized cost	844,168	26,015	<u>\$ 1,589,816</u>	<u>\$ 48,993</u>
Adjustment to fair value	<u>(5,732)</u>	<u>(177)</u>		
	<u>\$ 838,436</u>	<u>\$ 25,838</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 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	12-month 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:

June 30, 2025

Category	Expected Loss Rate	Total Carrying Amount			
		At FVTOCI		At Amortized Cost	
		NTD	USD	NTD	USD
Performing	0.06%-0.12%	\$ 1,645,569	\$ 56,163	\$ 4,564,388	\$ 155,781
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	-	-	-	-	-

June 30, 2024

Category	Expected Loss Rate	Total Carrying Amount			
		At FVTOCI		At Amortized Cost	
		NTD	USD	NTD	USD
Performing	0%-0.12%	\$ 844,758	\$ 26,033	\$ 1,589,816	\$ 48,993
Doubtful	-	-	-	-	-
In default	-	-	-	-	-
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	Doubtful	In Default
<u>NTD</u>			
Balance at January 1, 2025	\$ 741	\$ -	\$ -
New debt instruments purchased	1,799	-	-
Derecognition	(28)	-	-
Change in exchange rates or others	<u>(1,334)</u>	<u>-</u>	<u>-</u>
Balance at June 30, 2025	<u>\$ 1,178</u>	<u>\$ -</u>	<u>\$ -</u>
<u>NTD</u>			
Balance at January 1, 2024	\$ 357	\$ -	\$ 69,481
New debt instruments purchased	479	-	-
Derecognition	(269)	-	(72,187)
Change in exchange rates or others	<u>23</u>	<u>-</u>	<u>2,706</u>
Balance at June 30, 2024	<u>\$ 590</u>	<u>\$ -</u>	<u>\$ -</u>
<u>USD</u>			
Balance at January 1, 2025	\$ 22	\$ -	\$ -
New debt instruments purchased	56	-	-
Derecognition	(2)	-	-
Change in others	<u>(37)</u>	<u>-</u>	<u>-</u>
Balance at June 30, 2025	<u>\$ 39</u>	<u>\$ -</u>	<u>\$ -</u>
Balance at January 1, 2024	\$ 11	\$ -	\$ 2,263
New debt instruments purchased	15	-	-
Derecognition	<u>(8)</u>	<u>-</u>	<u>(2,263)</u>
Balance at June 30, 2024	<u>\$ 18</u>	<u>\$ -</u>	<u>\$ -</u>

10. TRADE RECEIVABLES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
At amortized cost			
Gross carrying amount	\$ 2,881,463	\$ 6,553,007	\$ 5,869,752
Less: Allowance for impairment loss	<u>(929,819)</u>	<u>(823,174)</u>	<u>(482,903)</u>
	<u>\$ 1,951,644</u>	<u>\$ 5,729,833</u>	<u>\$ 5,386,849</u>
			(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>USD</u>			
At amortized cost			
Gross carrying amount	\$ 98,343	\$ 199,878	\$ 180,886
Less: Allowance for impairment loss	<u>(31,734)</u>	<u>(25,108)</u>	<u>(14,881)</u>
	<u>\$ 66,609</u>	<u>\$ 174,770</u>	<u>\$ 166,005</u>
			(Concluded)

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:

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Past due within 60 days	\$ 1,486,334	\$ 5,097,925	\$ 4,592,648
Past due 61-120 days	45,732	306,185	157,221
Past due over 121 days	<u>1,349,397</u>	<u>1,148,897</u>	<u>1,119,883</u>
	<u>\$ 2,881,463</u>	<u>\$ 6,553,007</u>	<u>\$ 5,869,752</u>

<u>USD</u>			
Past due within 60 days	\$ 50,728	\$ 155,496	\$ 141,530
Past due 61-120 days	1,561	9,339	4,845
Past due over 121 days	<u>46,054</u>	<u>35,043</u>	<u>34,511</u>
	<u>\$ 98,343</u>	<u>\$ 199,878</u>	<u>\$ 180,886</u>

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

	For the Six Months Ended June 30	
	2025	2024
<u>NTD</u>		
Balance at January 1	\$ 823,174	\$ 487,141
Net remeasurement of loss allowance	211,103	(31,382)
Foreign exchange gains and losses	<u>(104,458)</u>	<u>27,144</u>
Balance at June 30	<u>\$ 929,819</u>	<u>\$ 482,903</u>
<u>USD</u>		
Balance at January 1	\$ 25,108	\$ 15,865
Net remeasurement of loss allowance	<u>6,626</u>	<u>(984)</u>
Balance at June 30	<u>\$ 31,734</u>	<u>\$ 14,881</u>

11. INVENTORIES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Finished goods	\$ 240,271	\$ 2,291,037	\$ 1,049,420
Work in progress	1,383,705	5,563,678	11,011,230
Raw materials	<u>43,377</u>	<u>805,810</u>	<u>4,105,642</u>
	<u>\$ 1,667,353</u>	<u>\$ 8,660,525</u>	<u>\$ 16,166,292</u>
<u>USD</u>			
Finished goods	\$ 8,200	\$ 69,881	\$ 32,340
Work in progress	47,226	169,701	339,329
Raw materials	<u>1,480</u>	<u>24,579</u>	<u>126,522</u>
	<u>\$ 56,906</u>	<u>\$ 264,161</u>	<u>\$ 498,191</u>

The cost of integrated circuit recognized as cost of goods sold for the three months ended June 30, 2025 and 2024 were NT\$6,147,746 thousand (US\$200,402 thousand) and NT\$10,569,687 thousand (US\$327,612 thousand), respectively, and for the six months ended June 30, 2025 and 2024 were NT\$13,668,717 thousand (US\$429,038 thousand) and NT\$18,796,910 thousand (US\$589,226 thousand), respectively.

The cost of goods sold included a write-down of inventory of NT\$84,584 thousand (US\$2,758 thousand) and a reversal of inventory write-down of NT\$1,601 thousand (US\$37 thousand) for the three months ended June 30, 2025 and 2024, respectively.

The cost of goods sold included a write-down of inventory of NT\$188,540 thousand (US\$5,918 thousand) and a reversal of inventory write-down of NT\$30,528 thousand (US\$957 thousand) for the six months ended June 30, 2025 and 2024, respectively.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			June 30, 2025	December 31, 2024	June 30, 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	100	-
	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 HK	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 Guangzhou	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
	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	-

Note: 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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Machinery equipment	\$ 1,527,433	\$ 1,705,033	\$ 1,758,707
Computer equipment	49,159	59,899	75,167
Office equipment	6,328	7,541	8,340
Transportation equipment	1,636	2,178	2,501
Leasehold improvements	<u>542</u>	<u>805</u>	<u>2,439</u>
	<u>\$ 1,585,098</u>	<u>\$ 1,775,456</u>	<u>\$ 1,847,154</u>
			(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>USD</u>			
Machinery equipment	\$ 52,131	\$ 52,005	\$ 54,198
Computer equipment	1,678	1,827	2,316
Office equipment	216	232	257
Transportation equipment	56	67	77
Leasehold improvements	<u>18</u>	<u>24</u>	<u>75</u>
	<u>\$ 54,099</u>	<u>\$ 54,155</u>	<u>\$ 56,923</u>
			(Concluded)

The Group acquired additional machinery equipment amounted to NT\$1,357,179 thousand (US\$42,600 thousand) and NT\$1,191,353 thousand (US\$37,345 thousand) for the six months ended June 30, 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
Transportation equipment	3 years
Leasehold improvements	2-4 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Buildings	\$ 66,694	\$ 81,663	\$ 75,865
Machinery equipment	<u>116,479</u>	<u>151,468</u>	<u>170,839</u>
	<u>\$ 183,173</u>	<u>\$ 233,131</u>	<u>\$ 246,704</u>
<u>USD</u>			
Buildings	\$ 2,276	\$ 2,491	\$ 2,338
Machinery equipment	<u>3,976</u>	<u>4,620</u>	<u>5,265</u>
	<u>\$ 6,252</u>	<u>\$ 7,111</u>	<u>\$ 7,603</u>

	For the Six Months Ended June 30	
	2025	2024

NTD

Additions to right-of-use assets	<u>\$ 18,226</u>	<u>\$ 29,321</u>
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USD

Additions to right-of-use assets	<u>\$ 549</u>	<u>\$ 955</u>
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	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024

NTD

Depreciation charge for right-of-use assets				
Buildings	\$ 12,675	\$ 13,330	\$ 25,775	\$ 26,323
Machinery equipment	<u>9,935</u>	<u>10,428</u>	<u>20,538</u>	<u>20,565</u>
	<u>\$ 22,610</u>	<u>\$ 23,758</u>	<u>\$ 46,313</u>	<u>\$ 46,888</u>

USD

Depreciation charge for right-of-use assets				
Buildings	\$ 411	\$ 412	\$ 809	\$ 825
Machinery equipment	<u>322</u>	<u>323</u>	<u>645</u>	<u>645</u>
	<u>\$ 733</u>	<u>\$ 735</u>	<u>\$ 1,454</u>	<u>\$ 1,470</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 six months ended June 30, 2025 and 2024.

b. Lease liabilities

	June 30, 2025	December 31, 2024	June 30, 2024
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NTD

Current	<u>\$ 61,069</u>	<u>\$ 75,430</u>	<u>\$ 80,796</u>
Non-current	<u>\$ 125,541</u>	<u>\$ 131,900</u>	<u>\$ 162,438</u>

USD

Current	<u>\$ 2,084</u>	<u>\$ 2,301</u>	<u>\$ 2,490</u>
Non-current	<u>\$ 4,285</u>	<u>\$ 4,023</u>	<u>\$ 5,006</u>

Range of discount rates for lease liabilities was as follows:

	June 30, 2025	December 31, 2024	June 30, 2024
Buildings	0.98%-5.48%	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 six months ended June 30, 2025 and 2024.

d. Other lease information

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
Expenses relating to short-term leases	<u>\$ 4,030</u>	<u>\$ 2,484</u>	<u>\$ 8,385</u>	<u>\$ 5,811</u>
Expenses relating to low-value asset leases	<u>\$ 13</u>	<u>\$ 1</u>	<u>\$ 28</u>	<u>\$ 16</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 3,041</u>	<u>\$ 2,851</u>	<u>\$ 6,573</u>	<u>\$ 6,488</u>
Total cash outflow for leases	<u>\$ (20,158)</u>	<u>\$ (18,816)</u>	<u>\$ (45,025)</u>	<u>\$ (43,699)</u>

USD

Expenses relating to short-term leases	<u>\$ 131</u>	<u>\$ 76</u>	<u>\$ 263</u>	<u>\$ 182</u>
Expenses relating to low-value asset leases	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 99</u>	<u>\$ 87</u>	<u>\$ 206</u>	<u>\$ 203</u>
Total cash outflow for leases	<u>\$ (658)</u>	<u>\$ (578)</u>	<u>\$ (1,413)</u>	<u>\$ (1,369)</u>

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

	June 30, 2025		December 31, 2024		June 30, 2024	
	NTD	USD	NTD	USD	NTD	USD
Lease commitments	<u>\$ 198,420</u>	<u>\$ 6,772</u>	<u>\$ 230,469</u>	<u>\$ 7,030</u>	<u>\$ 26,873</u>	<u>\$ 828</u>

15. INTANGIBLE ASSETS

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Silicon Intellectual Property (SIP)	\$ 265,388	\$ 239,920	\$ 131,393
Software cost	<u>5,849</u>	<u>8,010</u>	<u>6,813</u>
	<u>\$ 271,237</u>	<u>\$ 247,930</u>	<u>\$ 138,206</u>
<u>USD</u>			
Silicon Intellectual Property (SIP)	\$ 9,058	\$ 7,317	\$ 4,049
Software cost	<u>199</u>	<u>245</u>	<u>210</u>
	<u>\$ 9,257</u>	<u>\$ 7,562</u>	<u>\$ 4,259</u>

The Group's addition to SIP amounted to NT\$185,551 thousand (US\$5,824 thousand) and NT\$4,721 thousand (US\$148 thousand) for the six months ended June 30, 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

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Prepayments for raw materials	\$ 3,763,871	\$ 1,289,276	\$ 857,323
Prepayment for SIP	240,940	244,747	180,493
Prepayment for electronic design automation (EDA) tools	255,069	81,503	89,679
Other	<u>38,513</u>	<u>36,160</u>	<u>37,818</u>
	<u>\$ 4,298,393</u>	<u>\$ 1,651,686</u>	<u>\$ 1,165,313</u>
<u>USD</u>			
Prepayments for raw materials	\$ 128,460	\$ 39,325	\$ 26,420
Prepayment for SIP	8,224	7,465	5,562
Prepayment for electronic design automation (EDA) tools	8,705	2,486	2,764
Other	<u>1,314</u>	<u>1,103</u>	<u>1,165</u>
	<u>\$ 146,703</u>	<u>\$ 50,379</u>	<u>\$ 35,911</u>

17. OTHER PAYABLES

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Payables for dividends	\$ 2,945,750	\$ -	\$ 1,818,236
Payables for salaries and bonuses	1,029,551	1,107,053	1,177,755
Payables for technical services	25,544	301,953	90,579
Payables for equipment	592	167,289	311
Payables for SIP	820	2,198	8,048
Others	<u>178,648</u>	<u>104,304</u>	<u>98,401</u>
	<u>\$ 4,180,905</u>	<u>\$ 1,682,797</u>	<u>\$ 3,193,330</u>
<u>USD</u>			
Payables for dividends	\$ 98,570	\$ -	\$ 56,301
Payables for salaries and bonuses	35,138	33,767	36,294
Payables for technical services	872	9,210	2,791
Payables for equipment	20	5,103	10
Payables for SIP	28	67	248
Others	<u>8,065</u>	<u>3,181</u>	<u>2,764</u>
	<u>\$ 142,693</u>	<u>\$ 51,328</u>	<u>\$ 98,408</u>

18. EQUITY

a. Ordinary shares

	June 30, 2025	December 31, 2024	June 30, 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>80,943</u>	<u>80,649</u>	<u>79,716</u>
Shares issued and fully paid (in thousands of NT\$)	<u>\$ 809,434</u>	<u>\$ 806,485</u>	<u>\$ 797,155</u>
Shares issued and fully paid (in thousands of US\$)	<u>\$ 25,908</u>	<u>\$ 25,815</u>	<u>\$ 25,525</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 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 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 June 30, 2025, the holders of GDRs had redeemed 11,226.7 thousand units, which were equivalent to 11,226.7 thousand ordinary shares. The outstanding GDRs were equal to 73.3 thousand shares, which accounted for 0.09% 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

The board of directors resolved the termination of the remaining limit of 3,395 thousand shares on May 14, 2024.

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.

On May 29, 2025, the shareholders held a meeting and resolved the private placement of ordinary shares with a total limit of 1,500 thousand shares. 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 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.

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 resolved by the shareholders in their meetings on May 29, 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>2,945,750</u>	\$ 1.221	\$ 36.50

	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

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 exchange differences on translation of the financial statements of foreign operations (including subsidiaries) will be reversed by proportion base on the Group's disposal of foreign operations. However, if the Group loses 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 exchange differences on translation of the financial statements of foreign operations (including subsidiaries) 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 Six Months Ended June 30			
	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	20,000	2,300	19,000	3,409
Options exercised	(294,877)	519	(1,472,322)	221
Options expired	<u>(3,500)</u>	1,641	<u>(9,940)</u>	943
Balance on June 30	<u>2,157,937</u>	645	<u>2,736,026</u>	569
Options exercisable, end of the period	<u>1,893,885</u>	503	<u>1,866,750</u>	434
Weighted-average fair value of options granted (NT\$)	<u>\$ 1,366</u>		<u>\$ 2,001</u>	

The weighted-average share prices on the exercise date of the share options for the six months ended June 30, 2025 and 2024 were \$2,971 and \$3,432, respectively.

Information on outstanding options was as follows:

June 30			
2025		2024	
Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)	Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)
\$24.4	1.37	\$24.4	2.37
36.3	0.68	36.4	1.68
40.0	1.70	40.1	2.70
72.6	3.89	72.7	4.89
73.3	3.72	73.4	4.72
81.2	2.42	81.3	3.42
85.4	3.23	85.5	4.23

(Continued)

June 30			
2025		2024	
Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)	Exercise Price (NT\$)	Weighted-average Remaining Contractual Life (In Years)
93.1	2.61	93.2	3.61
93.4	4.11	93.5	5.11
95.4	2.52	95.5	3.52
114.8	2.75	115.0	3.75
118.6	3.12	118.8	4.12
120.6	2.81	120.8	3.81
200.9	4.40	201.2	5.40
202.9	4.64	203.2	5.64
262.5	4.83	262.9	5.83
319.1	4.96	322.4	5.96
396.4	5.88	400.5	6.88
551.2	5.46	556.8	6.46
558.3	5.09	564.0	6.09
558.4	6.15	564.1	7.15
790.9	5.69	799.0	6.69
797.9	7.16	956.9	7.70
823.8	7.39	1,002.7	7.34
853.8	6.84	862.6	7.84
947.2	6.70	806.1	8.16
992.5	6.34	832.2	8.39
1,490.2	7.90	1,505.5	8.90
3,374.4	8.71	3,409.0	9.71
2,484.5	9.16		
2,026.9	9.35		
2,300.0	9.86		

(Concluded)

Options granted in May 2025 and March 2024, were priced by Black-Scholes pricing model and the inputs to the model on each grant-date were as follows:

	May 9, 2025	March 13, 2024
Grant-date share price (NT\$)	\$2,300	\$3,410
Exercise price (NT\$)	\$2,300	\$3,410
Expected volatility	63.02%-64.16%	62.71%-63.52%
Expected life (in years)	6-7 years	6-7 years
Expected dividend yield	-	-
Risk-free interest rate	1.44%-1.48%	1.20%-1.21%

Compensation costs recognized were NT\$10,315 thousand (US\$357 thousand) and NT\$34,555 thousand (US\$1,051 thousand) for the three months ended June 30, 2025 and 2024, respectively, and NT\$44,426 thousand (US\$1,394 thousand) and NT\$105,160 thousand (US\$3,296 thousand) for the six months ended June 30, 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. From the contract liability outstanding balance at the beginning of the year, the Group recognized NT\$1,084,589 thousand (US\$38,331 thousand) and NT\$1,345,205 thousand (US\$41,039 thousand) as revenue for the three months ended June 30, 2025 and 2024, respectively, and the Group recognized NT\$5,421,744 thousand (US\$170,179 thousand) and NT\$3,846,842 thousand (US\$120,587 thousand) as revenue for the six months ended June 30, 2025 and 2024, respectively.

b. Disaggregation of revenue from contracts with customers

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
<u>Production</u>				
ASIC and wafer product	\$ 9,006,439	\$ 13,565,364	\$ 19,428,098	\$ 23,964,213
Non-recurring Engineering (NRE)	130,786	13,193	187,998	95,372
Others	<u>6,772</u>	<u>3,198</u>	<u>12,756</u>	<u>12,158</u>
	<u>\$ 9,143,997</u>	<u>\$ 13,581,755</u>	<u>\$ 19,628,852</u>	<u>\$ 24,071,743</u>
<u>Geography</u>				
United States	\$ 7,206,765	\$ 10,626,201	\$ 16,922,778	\$ 18,736,217
Japan	841,593	213,672	1,065,962	315,424
China	835,972	1,035,585	1,162,746	2,481,682
Europe	187,779	1,616,613	193,282	2,277,564
Taiwan	72,084	89,684	269,543	260,856
Others	<u>(196)</u>	<u>-</u>	<u>14,541</u>	<u>-</u>
	<u>\$ 9,143,997</u>	<u>\$ 13,581,755</u>	<u>\$ 19,628,852</u>	<u>\$ 24,071,743</u>
<u>Application type</u>				
High performance computing	\$ 7,427,211	\$ 12,380,990	\$ 17,412,754	\$ 22,176,010
Consumer	1,359,160	125,940	1,542,352	424,624
Communication	286,217	829,788	520,024	1,051,431
Niche market	<u>71,409</u>	<u>245,037</u>	<u>153,722</u>	<u>419,678</u>
	<u>\$ 9,143,997</u>	<u>\$ 13,581,755</u>	<u>\$ 19,628,852</u>	<u>\$ 24,071,743</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>Resolution</u>				
3-nanometer	\$ 430,645	\$ 574	\$ 1,359,528	\$ 40,387
5-nanometer	7,204,316	1,154,199	10,529,291	2,342,682
7-nanometer	77,378	11,921,408	5,870,830	20,586,878
12-nanometer	419,112	88,247	553,842	387,884
16-nanometer and above	<u>1,012,546</u>	<u>417,327</u>	<u>1,315,361</u>	<u>713,912</u>
	<u>\$ 9,143,997</u>	<u>\$ 13,581,755</u>	<u>\$ 19,628,852</u>	<u>\$ 24,071,743</u>

USD

Production

ASIC and wafer product	\$ 292,999	\$ 420,538	\$ 609,815	\$ 751,206
Non-recurring Engineering (NRE)	4,162	377	5,901	2,990
Others	<u>218</u>	<u>96</u>	<u>400</u>	<u>381</u>
	<u>\$ 297,379</u>	<u>\$ 421,011</u>	<u>\$ 616,116</u>	<u>\$ 754,577</u>

Geography

United States	\$ 235,813	\$ 329,438	\$ 531,177	\$ 587,324
Japan	26,638	6,652	33,459	9,888
China	26,563	31,809	36,497	77,793
Europe	5,900	50,378	6,067	71,395
Taiwan	2,457	2,734	8,460	8,177
Others	<u>8</u>	<u>-</u>	<u>456</u>	<u>-</u>
	<u>\$ 297,379</u>	<u>\$ 421,011</u>	<u>\$ 616,116</u>	<u>\$ 754,577</u>

Application type

High performance computing	\$ 242,998	\$ 383,685	\$ 546,556	\$ 695,152
Consumer	42,843	3,812	48,412	13,310
Communication	9,215	25,911	16,323	32,959
Niche market	<u>2,323</u>	<u>7,603</u>	<u>4,825</u>	<u>13,156</u>
	<u>\$ 297,379</u>	<u>\$ 421,011</u>	<u>\$ 616,116</u>	<u>\$ 754,577</u>

Resolution

3-nanometer	\$ 14,435	\$ -	\$ 42,673	\$ 1,266
5-nanometer	229,419	35,644	330,497	73,436
7-nanometer	8,155	369,788	184,275	645,337
12-nanometer	13,288	2,631	17,384	12,159
16-nanometer and above	<u>32,082</u>	<u>12,948</u>	<u>41,287</u>	<u>22,379</u>
	<u>\$ 297,379</u>	<u>\$ 421,011</u>	<u>\$ 616,116</u>	<u>\$ 754,577</u>

(Concluded)

21. NET PROFIT

Net profit included the following items:

a. Interest income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
Bank deposits	\$ 349,780	\$ 282,418	\$ 628,159	\$ 535,772
Investments in debt instruments at FVTOCI	15,961	5,455	29,120	7,800
Financial assets at amortized cost	45,519	29,830	84,270	52,333
Others	<u>151</u>	<u>120</u>	<u>274</u>	<u>236</u>
	<u>\$ 411,411</u>	<u>\$ 317,823</u>	<u>\$ 741,823</u>	<u>\$ 596,141</u>
<u>USD</u>				
Bank deposits	\$ 11,254	\$ 8,740	\$ 19,717	\$ 16,795
Investments in debt instruments at FVTOCI	514	170	914	245
Financial assets at amortized cost	1,467	924	2,645	1,640
Others	<u>5</u>	<u>3</u>	<u>9</u>	<u>7</u>
	<u>\$ 13,240</u>	<u>\$ 9,837</u>	<u>\$ 23,285</u>	<u>\$ 18,687</u>

b. Other gains and losses

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
Net foreign exchange gains (losses)	\$ 31,563	\$ (9,088)	\$ 4,425	\$ 6,298
(Loss) gain on disposal of equipment	(47)	86	(202)	320
(Loss) gain on disposal of financial assets				
Investments in debt instruments at FVTOCI	(49)	269	(49)	269
Others	<u>5</u>	<u>278</u>	<u>(290)</u>	<u>284</u>
	<u>\$ 31,472</u>	<u>\$ (8,455)</u>	<u>\$ 3,884</u>	<u>\$ 7,171</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>USD</u>				
Net foreign exchange gains (losses)	\$ 964	\$ (292)	\$ 139	\$ 198
(Loss) gain on disposal of equipment	(1)	3	(6)	10
(Loss) gain on disposal of financial assets				
Investments in debt instruments at FVTOCI	(2)	8	(2)	8
Others	<u>-</u>	<u>9</u>	<u>(9)</u>	<u>9</u>
	<u>\$ 961</u>	<u>\$ (272)</u>	<u>\$ 122</u>	<u>\$ 225</u>
				(Concluded)

c. Finance costs

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
Interest on lease liabilities	<u>\$ 1,815</u>	<u>\$ 2,424</u>	<u>\$ 3,691</u>	<u>\$ 4,836</u>
<u>USD</u>				
Interest on lease liabilities	<u>\$ 59</u>	<u>\$ 75</u>	<u>\$ 116</u>	<u>\$ 152</u>

d. Depreciation and amortization

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
Property, plant and equipment	\$ 562,719	\$ 367,641	\$ 1,373,690	\$ 605,590
Right-of-use assets	22,610	23,758	46,313	46,888
Intangible assets	<u>79,720</u>	<u>151,266</u>	<u>134,737</u>	<u>297,231</u>
	<u>\$ 665,049</u>	<u>\$ 542,665</u>	<u>\$ 1,554,740</u>	<u>\$ 949,709</u>
An analysis of depreciation by function				
Operating costs	\$ 543,315	\$ 344,743	\$ 1,331,940	\$ 561,051
Operating expenses	<u>42,014</u>	<u>46,656</u>	<u>88,063</u>	<u>91,427</u>
	<u>\$ 585,329</u>	<u>\$ 391,399</u>	<u>\$ 1,420,003</u>	<u>\$ 652,478</u>
				(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of amortization by function				
Operating costs	\$ 77,574	\$ 150,207	\$ 130,540	\$ 295,135
Operating expenses	<u>2,146</u>	<u>1,059</u>	<u>4,197</u>	<u>2,096</u>
	<u>\$ 79,720</u>	<u>\$ 151,266</u>	<u>\$ 134,737</u>	<u>\$ 297,231</u>

USD

Property, plant and equipment	\$ 18,465	\$ 11,417	\$ 43,118	\$ 18,983
Right-of-use assets	733	735	1,454	1,470
Intangible assets	<u>2,557</u>	<u>4,676</u>	<u>4,229</u>	<u>9,317</u>
	<u>\$ 21,755</u>	<u>\$ 16,828</u>	<u>\$ 48,801</u>	<u>\$ 29,770</u>

An analysis of depreciation by function				
Operating costs	\$ 17,834	\$ 10,709	\$ 41,808	\$ 17,587
Operating expenses	<u>1,364</u>	<u>1,443</u>	<u>2,764</u>	<u>2,866</u>
	<u>\$ 19,198</u>	<u>\$ 12,152</u>	<u>\$ 44,572</u>	<u>\$ 20,453</u>

An analysis of amortization by function				
Operating costs	\$ 2,487	\$ 4,643	\$ 4,097	\$ 9,251
Operating expenses	<u>70</u>	<u>33</u>	<u>132</u>	<u>66</u>
	<u>\$ 2,557</u>	<u>\$ 4,676</u>	<u>\$ 4,229</u>	<u>\$ 9,317</u>

(Concluded)

e. Employee benefits expense

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Post-employment benefits				
Defined contribution plan	\$ 19,562	\$ 19,281	\$ 40,561	\$ 38,512
Share-based payments				
(Note 19)	10,315	34,555	44,426	105,160
Other employee benefits	<u>515,270</u>	<u>587,257</u>	<u>981,655</u>	<u>1,086,597</u>
	<u>\$ 545,147</u>	<u>\$ 641,093</u>	<u>\$ 1,066,642</u>	<u>\$ 1,230,269</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
An analysis of employee benefits expense by function				
Operating costs	\$ 8,836	\$ 7,285	\$ 14,573	\$ 13,551
Operating expenses	<u>536,311</u>	<u>633,808</u>	<u>1,052,069</u>	<u>1,216,718</u>
	<u>\$ 545,147</u>	<u>\$ 641,093</u>	<u>\$ 1,066,642</u>	<u>\$ 1,230,269</u>

USD

Post-employment benefits				
Defined contribution plan	\$ 635	\$ 596	\$ 1,273	\$ 1,207
Share-based payments (Note 19)	357	1,051	1,394	3,296
Other employee benefits	<u>16,635</u>	<u>18,184</u>	<u>30,813</u>	<u>34,062</u>
	<u>\$ 17,627</u>	<u>\$ 19,831</u>	<u>\$ 33,480</u>	<u>\$ 38,565</u>

An analysis of employee benefits expense by function				
Operating costs	\$ 284	\$ 226	\$ 458	\$ 425
Operating expenses	<u>17,343</u>	<u>19,605</u>	<u>33,022</u>	<u>38,140</u>
	<u>\$ 17,627</u>	<u>\$ 19,831</u>	<u>\$ 33,480</u>	<u>\$ 38,565</u>

(Concluded)

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 the three months ended June 30, 2025 and 2024 and the six months ended June 30, 2025 and 2024, respectively, were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
NTD				
Compensation of employees	\$ 67,707	\$ 138,105	\$ 143,366	\$ 245,638
Remuneration of directors	<u>15,411</u>	<u>14,559</u>	<u>31,859</u>	<u>28,711</u>
	<u>\$ 83,118</u>	<u>\$ 152,664</u>	<u>\$ 175,225</u>	<u>\$ 274,349</u>
USD				
Compensation of employees	\$ 2,200	\$ 4,281	\$ 4,500	\$ 7,700
Remuneration of directors	<u>500</u>	<u>450</u>	<u>1,000</u>	<u>900</u>
	<u>\$ 2,700</u>	<u>\$ 4,731</u>	<u>\$ 5,500</u>	<u>\$ 8,600</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 remuneration of directors for 2024 and 2023 resolved by the board of directors were as follows:

	2024		2023	
	Cash		Cash	
	USD	NTD	USD	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>
Recognized in annual 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 June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
Current tax				
In respect of the current period	\$ 302,970	\$ 389,003	\$ 712,119	\$ 683,815
Adjustments for prior period	<u>(18,960)</u>	<u>(1,773)</u>	<u>(18,862)</u>	<u>(1,763)</u>
	<u>284,010</u>	<u>387,230</u>	<u>693,257</u>	<u>682,052</u>
Deferred tax				
In respect of the current period	(6,588)	7,794	(83,999)	19,550
Adjustments for prior period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(6,588)</u>	<u>7,794</u>	<u>(83,999)</u>	<u>19,550</u>
Income tax expense recognized in profit or loss	<u>\$ 277,422</u>	<u>\$ 395,024</u>	<u>\$ 609,258</u>	<u>\$ 701,602</u>

(Continued)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>USD</u>				
Current tax				
In respect of the current period	\$ 9,915	\$ 12,060	\$ 22,353	\$ 21,435
Adjustments for prior period	<u>(595)</u>	<u>(55)</u>	<u>(592)</u>	<u>(55)</u>
	<u>9,320</u>	<u>12,005</u>	<u>21,761</u>	<u>21,380</u>
Deferred tax				
In respect of the current period	(284)	239	(2,637)	613
Adjustments for prior period	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(284)</u>	<u>239</u>	<u>(2,637)</u>	<u>613</u>
Income tax expense recognized in profit or loss	<u>\$ 9,036</u>	<u>\$ 12,244</u>	<u>\$ 19,124</u>	<u>\$ 21,993</u>
				(Concluded)

The income tax rate is 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 is approximately 37%.

b. Income tax recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
Deferred tax				
In respect of the current year				
Fair value changes of financial assets at FVTOCI	<u>\$ 1,428</u>	<u>\$ (2,213)</u>	<u>\$ 757</u>	<u>\$ (4,164)</u>
<u>USD</u>				
Deferred tax				
In respect of the current year				
Fair value changes of financial assets at FVTOCI	<u>\$ 44</u>	<u>\$ (69)</u>	<u>\$ 24</u>	<u>\$ (131)</u>

c. Income tax assessments

Tax returns of Alchip Taiwan Branch and Alchip Technologies Inc. through 2023 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 June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
Basic earnings per share	<u>\$ 16.37</u>	<u>\$ 20.05</u>	<u>\$ 34.49</u>	<u>\$ 35.92</u>
Diluted earnings per share	<u>\$ 16.02</u>	<u>\$ 19.38</u>	<u>\$ 33.71</u>	<u>\$ 34.47</u>

USD

Basic earnings per share	<u>\$ 0.53</u>	<u>\$ 0.62</u>	<u>\$ 1.08</u>	<u>\$ 1.13</u>
Diluted earnings per share	<u>\$ 0.52</u>	<u>\$ 0.60</u>	<u>\$ 1.06</u>	<u>\$ 1.08</u>

EPS is computed as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
Profit for the period attributable to owners of the Company	<u>\$ 1,323,522</u>	<u>\$ 1,586,701</u>	<u>\$ 2,787,040</u>	<u>\$ 2,816,948</u>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 1,323,522</u>	<u>\$ 1,586,701</u>	<u>\$ 2,787,040</u>	<u>\$ 2,816,948</u>

USD

Profit for the period attributable to owners of the Company	<u>\$ 42,989</u>	<u>\$ 49,183</u>	<u>\$ 87,480</u>	<u>\$ 88,303</u>
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 42,989</u>	<u>\$ 49,183</u>	<u>\$ 87,480</u>	<u>\$ 88,303</u>

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

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
Weighted average number of ordinary shares used in the computation of basic earnings per share	80,869	79,133	80,805	78,426
Effect of potentially dilutive ordinary shares				
Employee share option	1,680	2,686	1,792	3,186
Compensation of employees	<u>43</u>	<u>56</u>	<u>73</u>	<u>116</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>82,592</u>	<u>81,875</u>	<u>82,670</u>	<u>81,728</u>

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 Six Months Ended June 30			
	2025		2024	
	USD	NTD	USD	NTD
Additions of equipment	\$ 43,060	\$ 1,371,833	\$ 25,020	\$ 798,172
Changes in payables for equipment	5,083	166,697	630	19,345
Effect of foreign currency exchange differences	<u>-</u>	<u>(4,776)</u>	<u>-</u>	<u>770</u>
Payments for acquisition of equipment	<u>\$ 48,143</u>	<u>\$ 1,533,754</u>	<u>\$ 25,650</u>	<u>\$ 818,287</u>
Additions of intangible assets	\$ 5,919	\$ 188,568	\$ 149	\$ 4,755
Changes in prepayment	759	(3,807)	2,086	73,797
Changes in other accounts payable	-	121	4,800	146,965
Effect of foreign currency exchange differences	<u>-</u>	<u>27,856</u>	<u>-</u>	<u>(1,035)</u>
Payments for acquisition of intangible assets	<u>\$ 6,678</u>	<u>\$ 212,738</u>	<u>\$ 7,035</u>	<u>\$ 224,482</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 approximate their 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

<u>Financial Instrument</u>	<u>Valuation Technique and Inputs</u>
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 six months ended June 30, 2025 and 2024.

c. Category of financial instruments

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 37,877,764	\$ 35,738,384	\$ 30,633,397
Financial assets at FVTOCI			
Debt instruments	1,652,093	1,106,998	838,436
Equity instruments	368,344	298,624	246,953
			(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>Financial liabilities</u>			
Amortized cost (2)	\$ 1,093,545	\$ 2,423,173	\$ 3,686,625

USD

Financial assets

Financial assets at amortized cost (1)	1,292,756	1,090,083	944,020
Financial assets at FVTOCI			
Debt instruments	56,386	33,765	25,838
Equity instruments	12,570	9,109	7,610

Financial liabilities

Amortized cost (2)	39,291	73,911	113,341 (Concluded)
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- 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 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 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 Six Months Ended June 30	
	2025	2024
RMB	\$ 3,705	\$ 4,277
USD	189	120
NTD	124	79

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:

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Fair value interest rate risk			
Financial assets	\$ 11,972,859	\$ 9,985,853	\$ 10,818,462
Financial liabilities	186,610	207,330	243,234
Cash flow interest rate risk			
Financial assets	25,275,873	20,616,900	14,836,024

(Continued)

	June 30, 2025	December 31, 2024	June 30, 2024
<u>USD</u>			
Fair value interest rate risk			
Financial assets	\$ 408,631	\$ 304,586	\$ 333,389
Financial liabilities	6,369	6,324	7,496
Cash flow interest rate risk			
Financial assets	862,657	628,851	457,197
			(Concluded)

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 six months ended June 30, 2025 and 2024 would have increased/decreased by NT\$31,595 thousand (US\$1,078 thousand) and NT\$18,545 thousand (US\$571 thousand), respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will breach its contractual obligations resulting in a financial loss to the Group. The Company is exposed to credit risks from operating activities, primarily accounts receivable, and from investing activities, primarily deposits and fixed-income investments with banks. 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, could be equal to the total of the carrying amount of the respective recognized financial assets as stated in the balance sheets.

Business related credit risk

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 the counterparties' payment terms and credit limits that are inspected and approved by the finance department periodically.

The Group's credit risk mainly comes from gross trade receivables of the Group's five largest customers. As of June 30, 2025, December 31, 2024 and June 30, 2024, the Group's five largest customers accounted for 67%, 82% and 80% of the Group's gross trade receivables, respectively.

Financial credit risk

The Group primarily mitigates its financial credit risk by selecting counterparties with investment grade credit ratings and by establishing individual investment limits. The Group assesses whether there has been a significant increase in credit risk in the invested securities since initial recognition by reviewing changes in external credit ratings, financial market conditions and material information of the issuers. Refer to Note 9 for information on the Group's credit risk management related to debt instruments.

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 may be required to pay. The interest recognition is not material.

June 30, 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	\$ 602,306	\$ 292,387	\$ -	\$ -	\$ -	\$ 20,557	\$ 9,979	\$ -	\$ -	\$ -
Other payables	16,109	91,868	90,875	-	-	2,518	3,135	3,102	-	-
Lease liabilities	1,844	44,696	20,166	130,040	-	63	1,525	688	4,439	-
	<u>\$ 620,259</u>	<u>\$ 428,951</u>	<u>\$ 111,041</u>	<u>\$ 130,040</u>	<u>\$ -</u>	<u>\$ 23,138</u>	<u>\$ 14,639</u>	<u>\$ 3,790</u>	<u>\$ 4,439</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>
June 30, 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	\$ 3,350,193	\$ 168,461	\$ -	\$ -	\$ -	\$ 103,242	\$ 5,191	\$ -	\$ -	\$ -
Other payables	122,746	45,225	-	-	-	3,514	1,394	-	-	-
Lease liabilities	4,673	52,746	30,280	167,581	2,281	145	1,625	933	5,164	70
	<u>\$ 3,477,612</u>	<u>\$ 266,432</u>	<u>\$ 30,280</u>	<u>\$ 167,581</u>	<u>\$ 2,281</u>	<u>\$ 106,901</u>	<u>\$ 8,210</u>	<u>\$ 933</u>	<u>\$ 5,164</u>	<u>\$ 70</u>

b) Financing facilities

	June 30, 2025	December 31, 2024	June 30, 2024
<u>NTD</u>			
Other loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>210,689</u>	<u>136,825</u>	<u>947,847</u>
	<u>\$ 210,689</u>	<u>\$ 136,825</u>	<u>\$ 947,847</u>
<u>USD</u>			
Other loan facilities			
Amount used	\$ -	\$ -	\$ -
Amount unused	<u>7,191</u>	<u>4,173</u>	<u>29,209</u>
	<u>\$ 7,191</u>	<u>\$ 4,173</u>	<u>\$ 29,209</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	June 30, 2025	December 31, 2024	June 30, 2024
Trade receivables - related parties	Associate	\$ -	\$ -	\$ 65,582

USD

Line Item	Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Trade receivables - related parties	Associate	\$ -	\$ -	\$ 2,021

The outstanding trade receivables from related parties mentioned above were unsecured. For the six months ended June 30, 2025 and 2024, no provisions for impairment loss were recognized.

c. Prepayments

NTD

Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Associate	\$ -	\$ -	\$ 7,332

USD

Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Associate	\$ -	\$ -	\$ 226

d. Other accrued expenses

NTD

Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Associate	\$ <u>-</u>	\$ <u>35,441</u>	\$ <u>-</u>

USD

Related Party Category	June 30, 2025	December 31, 2024	June 30, 2024
Associate	\$ <u>-</u>	\$ <u>1,081</u>	\$ <u>-</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 June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Research and development expenses	Associate	\$ <u>-</u>	\$ <u>22,575</u>	\$ <u>11,947</u>	\$ <u>38,197</u>

USD

Line Item	Related Party Category	For the Three Months Ended June 30		For the Six Months Ended June 30	
		2025	2024	2025	2024
Research and development expenses	Associate	\$ <u>-</u>	\$ <u>700</u>	\$ <u>375</u>	\$ <u>1,197</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 June 30		For the Six Months Ended June 30	
	2025	2024	2025	2024
<u>NTD</u>				
Other employee benefits	\$ 95,154	\$ 108,046	\$ 197,744	\$ 204,129
Share-based payments	156	3,920	3,058	15,553
Post-employment benefits	<u>216</u>	<u>322</u>	<u>433</u>	<u>640</u>
	<u>\$ 95,526</u>	<u>\$ 112,288</u>	<u>\$ 201,235</u>	<u>\$ 220,322</u>
<u>USD</u>				
Other employee benefits	\$ 3,087	\$ 3,343	\$ 6,206	\$ 6,398
Share-based payments	8	118	96	488
Post-employment benefits	<u>7</u>	<u>10</u>	<u>14</u>	<u>20</u>
	<u>\$ 3,102</u>	<u>\$ 3,471</u>	<u>\$ 6,316</u>	<u>\$ 6,906</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 June 30, 2025 and December 31, 2024, the Group provided time deposits amounting to NT\$30,281 thousand (US\$1,033 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:

- The Group entered into a capacity reservation agreement with Company A, under which the committed capacity period is 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 term of this agreement shall be from July 2022 to September 2026. Upon expiration, if any prepayment balance remains, the agreement shall automatically be extended until the balance is fully utilized, unless otherwise agreed by both parties. The Group has prepaid US\$13,220 thousand for the purchase of materials. As of June 30, 2025, December 31, 2024 and June 30, 2024, the prepayment balance amounted to US\$8,800 thousand, US\$8,800 thousand and US\$9,850 thousand, respectively.
- 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 June 30, 2025, December 31, 2024 and June 30, 2024, the Group was still obligated to pay US\$16,717 thousand, US\$23,304 thousand and US\$3,645 thousand, respectively.

30. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

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:

June 30, 2025

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 584,045	0.139692 (RMB:USD)	\$ 81,586
NTD	115,494	0.034130 (NTD:USD)	3,942
USD	3,777	144.050706 (USD:JPY)	<u>3,777</u>
			<u>\$ 89,305</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	48,840	0.139692 (RMB:USD)	<u>\$ 6,823</u>
<u>Financial liabilities</u>			
Monetary items			
RMB	53,552	0.139692 (RMB:USD)	\$ 7,481
NTD	42,970	0.034130 (NTD:USD)	<u>1,467</u>
			<u>\$ 8,948</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>
			(Continued)

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
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>
<u>Financial liabilities</u>			
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>\$ 12,180</u> (Concluded)

June 30, 2024

	Foreign Currency	Exchange Rate	Carrying Amount (USD in Thousands)
<u>Financial assets</u>			
Monetary items			
RMB	\$ 752,461	0.140315 (RMB:USD)	\$ 105,582
USD	2,599	160.875161 (USD:JPY)	2,599
NTD	105,470	0.030817 (NTD:USD)	<u>3,250</u>
			<u>\$ 111,431</u>
Non-monetary items			
Investments in equity instruments at FVTOCI			
RMB	31,592	0.140315 (RMB:USD)	\$ 4,433
NTD	9,824	0.030817 (NTD:USD)	<u>302</u>
			<u>\$ 4,735</u>
<u>Financial liabilities</u>			
Monetary items			
RMB	142,854	0.140315 (RMB:USD)	\$ 20,045
USD	198	160.875161 (USD:JPY)	198
NTD	53,938	0.030817 (NTD:USD)	<u>1,662</u>
			<u>\$ 21,905</u>

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

For the Three Months Ended June 30				
2025			2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
RMB	0.13906 (RMB:USD)	\$ 57	0.140696 (RMB:USD)	\$ (631)
USD	144.300874 (USD:JPY)	(194)	155.850996 (USD:JPY)	228
NTD	0.032444 (NTD:USD)	<u>1,084</u>	0.030907 (NTD:USD)	<u>157</u>
		<u>\$ 947</u>		<u>\$ (246)</u>

For the Six Months Ended June 30				
2025			2024	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
RMB	0.139204 (RMB:USD)	\$ 45	0.140740 (RMB:USD)	\$ (286)
USD	148.456057 (USD:JPY)	(442)	152.045005 (USD:JPY)	336
NTD	0.031388 (NTD:USD)	<u>514</u>	0.031347 (NTD:USD)	<u>197</u>
		<u>\$ 117</u>		<u>\$ 247</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) Significant 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: None
 - 6) Intercompany relationships and significant intercompany transactions: Table 2
 - 7) Information on investees: Table 3
- 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 4

- 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
JUNE 30, 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	June 30, 2025				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Alchip BVI	<u>Corporate bonds</u>							
	TSMC	-	Financial assets at fair value through other comprehensive income - current	-	\$ 57,165	-	\$ 57,165	-
	Sumitomo Mitsui	-	"	-	29,438	-	29,438	-
	Manulife Financial Corp	-	"	-	29,250	-	29,250	-
	HSBC Holdings PLC	-	"	-	29,098	-	29,098	-
	Saudi Arabian Oil	-	"	-	14,438	-	14,438	-
	SHINHAN CARD	-	"	-	5,643	-	5,643	-
	NTT Finance Corp	-	Financial assets at fair value through other comprehensive income - non-current	-	29,714	-	29,714	-
	Macquarie Bank	-	"	-	29,910	-	29,910	-
	Banco Santander SA	-	"	-	30,243	-	30,243	-
	Korea National Oil Corp	-	"	-	29,575	-	29,575	-
	Korea Gas Corp	-	"	-	15,006	-	15,006	-
	CK Hutchison International (24) Limited	-	"	-	63,459	-	63,459	-
	TSMC Global Ltd	-	"	-	46,986	-	46,986	-
	Citigroup Inc	-	"	-	46,409	-	46,409	-
	UBS GROUP AG VRN	-	"	-	46,861	-	46,861	-
	Goldman Sachs Group Inc	-	"	-	46,610	-	46,610	-
	Broadcom Inc	-	"	-	48,023	-	48,023	-
	Bank of America Corp.	-	"	-	46,719	-	46,719	-
	DEUTSCHE BANK AG	-	"	-	46,702	-	46,702	-
	ANZ NEW ZEALAND INT'L LTD	-	"	-	48,315	-	48,315	-
	UBS GROUP AG	-	"	-	46,542	-	46,542	-
	NOMURA HOLDINGS INC	-	"	-	47,900	-	47,900	-
	JPMORGAN CHASE & CO	-	"	-	46,660	-	46,660	-
	BNP PARIBAS SA	-	"	-	46,853	-	46,853	-
	Credit Agricole SA	-	"	-	29,158	-	29,158	-
	BP CAP Market	-	"	-	28,398	-	28,398	-
	Citigroup Global Markets Holdings Inc	-	"	-	29,195	-	29,195	-
	BAC	-	"	-	20,422	-	20,422	-
	Toyota Motor	-	"	-	59,297	-	59,297	-
	Saudi International	-	"	-	58,735	-	58,735	-
	PFIZER INVESTMENT	-	"	-	58,922	-	58,922	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	June 30, 2025				Note
				Number of Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Verizon	-	Financial assets at fair value through other comprehensive income - non-current	-	\$ 29,373	-	\$ 29,373	-
	BP CAP Market	-	"	-	53,357	-	53,357	-
	ELECTRICITE DE	-	"	-	30,232	-	30,232	-
	Australia Bank	-	"	-	29,054	-	29,054	-
	GOLDMAN SACHS	-	"	-	29,335	-	29,335	-
	MORGAN STANLEY	-	"	-	60,957	-	60,957	-
	BNP PARIBAS	-	"	-	54,780	-	54,780	-
	Mitsubishi UFJ	-	"	-	59,631	-	59,631	-
	UBS Group	-	"	-	61,256	-	61,256	-
	Cathaylife Singapore	-	"	-	28,444	-	28,444	-
	Republic of Chile	-	"	-	4,028	-	4,028	-
	<u>Unlisted shares/equity investment fund</u>							
	ACHI CAPITAL PARTNERS FUND L.P.	-	"	-	168,441	1.94	168,441	-
Alchip Shanghai	KQ (Shenzhen) Semiconductor & Technology Industry Equity Investment Fund	-	"	-	80,473	0.81	80,473	-
	KQ (Suzhou) Emerging Industry Venture Equity Investment Fund	-	"	-	119,430	3.69	119,430	-
Alchip TW	Uniconn Interconnections Technology Co., Ltd.	-	"	3,026	-	5.29	-	-

Note 1: For the information on investments in subsidiaries and associates, see Tables 3 and 4 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)

TABLE 2

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 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)
1	Alchip Wuxi	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable	\$ 26,031	Based on regular items	-
				Operating revenue	26,624	"	-
2	Alchip Hefei	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable	13,016	"	-
				Operating revenue	13,312	"	-
3	Alchip Guangzhou	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable	17,354	"	-
				Operating revenue	17,749	"	-
4	Alchip Jinan	Alchip Shanghai Alchip Shanghai	c c	Accounts receivable	30,370	"	-
				Operating revenue	31,062	"	-
5	Alchip US	The Company The Company	b b	Accounts receivable	25,409	"	-
				Operating revenue	27,629	"	-

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 June 30, 2025, while revenues, costs and expenses are shown as a percentage to consolidated revenues for the six months ended June 30, 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 3

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2025
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2025			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 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	\$ 2,207,006	\$ (374,737)	\$ (374,737)	-
	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	4,465	(41,881)	(41,881)	-
	Alchip KK	Japan	Product technical support and consulting services	33,902 (JPY 100,000)	33,902 (JPY 100,000)	2	100.0	118,221	4,138	4,138	-
	Alchip TW	Taiwan	ASIC and SOC services	100	100	10	100.0	340,599	(19,966)	(19,966)	-
	Alchip BVI	Tortola, British Virgin Islands	Investment	2,051,134 (US\$ 64,000) (Note 2)	1,330,959 (US\$ 41,836)	50	100.0	1,981,336 (Note 2)	7,672	7,672	-
	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	11,554	(11,146)	(11,146)	-
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	28,507	222	222	-
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	81,835	(122,097)	(21,610)	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 June 30, 2025. See Note 27 for details.

Note 2: Among which, an amount of NT\$1,577,817 thousand (US\$48,900 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 4 for details.

TABLE 4

ALCHIP TECHNOLOGIES, LIMITED AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE SIX MONTHS ENDED JUNE 30, 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 June 30, 2025	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of June 30, 2025	Accumulated Repatriation of Investment Income as of June 30, 2025
					Outward	Inward						
Alchip Shanghai	Research and development, design, and sales of ASIC and SOC and rendering of related services	\$ 375,040 (US\$ 12,800) (RMB 102,392)	Note 1, b.	\$ 375,040 (US\$ 12,800)	\$ -	\$ -	\$ 375,040 (US\$ 12,800)	\$ (157,475)	100	\$ (157,475) (Note 2, b.)	\$ 1,464,773	\$ -
Alchip Wuxi	Research and development, design, and sales of ASIC and SOC and rendering of related services	58,600 (US\$ 2,000) (RMB 12,482)	Note 1, b.	58,600 (US\$ 2,000)	-	-	58,600 (US\$ 2,000)	(69,849)	100	(69,849) (Note 2, b.)	243,526	-
Alchip Hefei	Research and development, design, and sales of ASIC and SOC and rendering of related services	14,650 (US\$ 500) (RMB 3,469)	Note 1, b.	14,650 (US\$ 500)	-	-	14,650 (US\$ 500)	(35,511)	100	(35,511) (Note 2, b.)	201,189	-
Alchip Jinan	Research and development, design, and sales of ASIC and SOC and rendering of related services	22,971 (US\$ 784) (RMB 5,031)	Note 1, b.	22,971 (US\$ 784)	-	-	22,971 (US\$ 784)	(68,306)	100	(68,306) (Note 2, b.)	127,687	-
Alchip Guangzhou	Research and development, design, and sales of ASIC and SOC and rendering of related services	46,880 (US\$ 1,600) (RMB 10,523)	Note 1, b.	46,880 (US\$ 1,600)	-	-	46,880 (US\$ 1,600)	(43,763)	100	(43,763) (Note 2, b.)	139,069	-
Chiptopia Shanghai	Software development and services, design, and sales of ASIC and SOC related services	44,575 (US\$ 1,521) (RMB 10,000)	Note 1, c.	(Note 3)	-	-	(Note 3)	(10,493)	65	(6,820) (Note 2, b.)	30,810	-
Alchip Chongqing	Research and development, design, and sales of ASIC and SOC and rendering of related services	22,712 (US\$ 775) (RMB 5,000)	Note 1, c.	(Note 4)	-	-	(Note 4)	(52,994)	100	(52,994) (Note 2, b.)	122,269	-

Accumulated Outward Remittance for Investments in Mainland China as of June 30, 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 audited by an international accounting firm cooperating with accounting firms in Taiwan.
 - 2) The financial statement is audited 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 4 was presented at the foreign exchange rate of US\$1: NT\$29.3 as of June 30, 2025.

(Concluded)